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LEGISLATIVE HISTORY

Public Law 88-634  
H. R. 11812

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## INDEX AND SUMMARY OF H. R. 11812

June 25, 1964	House Appropriations Committee reported H. R. 11812. H. Report 1518. Print of bill and report.
June 29, 1964	House Rules Committee reported resolution waiving points of order on H. R. 11812. H. Res. 793, H. Report No. 1520.
June 30, 1964	House began debate on H. R. 11812.
July 1, 1964	House passed H. R. 11812 without amendment.
July 2, 1964	H. R. 11812 was referred to the Senate Appropriations Committee. Print of bill as referred.
Sept. 29, 1964	Senate committee reported H. R. 11812 with amendments. S. Report No. 1605. Print of bill and report.
Oct. 1, 1964	Senate passed H. R. 11812 with amendments.
Oct. 2, 1964	House concurred in Senate amendments to H. R. 11812.
Oct. 7, 1964	Approved: Public Law 88-634.



## DIGEST OF PUBLIC LAW 88-634

### FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION ACT, 1965.

Appropriates \$204,600,000 for technical cooperation and development grants; \$134,272,400 for international organizations and programs; \$509,700,000 for Alliance for Progress development grants and loans; and \$87,100,000 for the Peace Corps, together with not to exceed \$17,000,000 of funds previously appropriated. Authorizes the Export-Import Bank to make expenditures not to exceed \$1,350,060,000 for other than administrative expenses. Provides that none of the funds for the Bank shall be used to either guarantee the payment of any obligation incurred by any Communist country or extend credit to any such country for the purchase of any product, except when the President determines that such guarantees would be in the national interest and so reports to Congress. Appropriates \$14,441,000 for administration of the Ryukyu Islands by the Department of the Army, with a proviso authorizing the President to transfer functions to other departments and agencies. Provides that not to exceed \$200,000 of foreign currencies shall be available for expenses incurred in making loans under Sec. 104(e) of Public Law 480 for promoting economic development and trade among nations. Prohibits economic assistance under the Foreign Assistance Act of 1961 to any country which sells, furnishes, or permits any ships under its registry to carry items of economic assistance to Cuba, so long as it is governed by the Castro regime, unless the President determines that the withholding of such assistance would be contrary to the national interest and so reports to Congress. Provides for semi-annual reports to Congress on any obligation of foreign aid funds for procurement outside the U. S. of any commodity in bulk and in excess of \$100,000. Prohibits economic assistance to any nation with a Communist government, unless the President determines that the withholding of such assistance would be contrary to the national interest and so reports to Congress.

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11. MEAT IMPORTS. Received a La. Legislature resolution urging Congress "to take immediate action to stop the importation of foreign meat into this country." p. 11557  
Sen. Hruska inserted Nebr. Stock Growers Assoc. resolutions favoring restrictions on beef imports, labeling of foreign imported beef, inspection of imported beef at point of origin, and an investigation of the domestic marketing of beef. p. 14657
12. TOBACCO. Sen. Robertson inserted and criticized the FTC rules on advertising standards for cigarettes. pp. 14576-7
13. STOCKPILING. Received the report of the Joint Committee on Reduction of Non-essential Federal Expenditures on Federal stockpile inventories as of April 1964, including CCC commodity inventories. pp. 14557-66
14. AIR POLLUTION. Sen. Muskie inserted an article discussing dangers of air pollution. pp. 14569-70
15. AREA REDEVELOPMENT. Sen. Muskie inserted a statement by the Administrator of the Area Redevelopment Administration in reply to criticism of ARA in a recent Reader's Digest article. pp. 14570-5
16. LANDS. Passed as reported S. 2082, to authorize the Secretary of the Interior to accept transfer of about 4,430 acres of land in the Everglades National Park from the Administrator of the Farmers Home Administration. p. 14580  
Passed without amendment H. R. 5514, to direct the Secretary of the Interior to sell a tract of public land to the Kaibab Lumber Co., Ariz. (this includes a parcel of National Forest land). This bill will now be sent to the President. p. 14580
17. ELECTRIFICATION. Sen. Neuberger expressed concern that proposals for transmission line interties between the Pacific Northwest and the Southwest may not contain provisions for Federal construction and ownership and urged public hearings on the matter. p. 14583
18. CONTRACTS. Sen. Bartlett expressed his support of H. R. 6041, to amend the Davis-Bacon Act so as to include fringe benefits in the Labor Department's calculation of prevailing wages paid by Federal construction contractors. pp. 14594-6
19. NATIONAL PARKS. Sen. Yarborough inserted an editorial, "Overcrowding Threatens Nation's Park Systems." pp. 14598-9
20. EDUCATION. Sen. Morse urged enactment of legislation to increase Federal aid to schools in federally impacted areas. pp. 14608-20
21. LEGISLATIVE PROGRAM. Sen. Humphrey stated that the public debt limit bill and the military construction authorization bill will be considered today, Fri., and that the Senate will not meet on Sat. p. 14653.

HOUSE

Agriculture

22. LOANS. The / Committee reported without amendment H. R. 7073, to amend the Consolidated Farmers Home Administration Act so as to increase the limitation on the amount of loans which may be insured under Sec. 308 (H. Rept. 1517) p. 14553

23. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1965. Disagreed to Senate amendments to this bill, H. R. 10433, and appointed conferees. Senate conferees have already been appointed. p. 14458
24. APPROPRIATIONS. The Appropriation Committee reported without amendment H. R. 11812, making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1965 (H. Rept. 1518)(p. 14553). At the request of Rep. Smith, Va., the Rules Committee was given until Mon. to file a privileged report waiving certain points of order on this bill (p. 14499).
25. AREA REDEVELOPMENT. Rep. Talcott criticized the area redevelopment program and inserted an editorial stating that the program has made "no real impact" on the "areas that need it most." pp. 14498-9  
amendment
26. STOCKPILING. Passed without / H. R. 11004, to authorize the sale, without regard to the six-month waiting period prescribed, of zinc proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act. p. 14489
27. POVERTY. Rep. Frelinghuysen urged a thorough Rules Committee hearing on the proposed poverty bill (pp. 14495-6).  
Rep. Cleveland inserted an editorial implying that the people in N.C.'s Appalachia area "do not know they are poverty stricken" (pp. 14496-7).
28. MEAT INSPECTION. Received from this Department a proposed bill to provide for financing meat and poultry inspection on a fees basis and authorize the establishment of management funds into which fees and charges can be deposited and be available for use in meeting the costs of these programs; to Agriculture Committee. p. 14553
29. ELECTRIFICATION. Received from GAO a report on an "examination of a public utility contract relating to facilities leased to provide electric power for the Agricultural Research Center, Beltsville, Md." p. 14553
30. TRANSPORTATION. Passed with amendment S. 6, the urban mass transportation bill. H. R. 3881, a similar bill, which had been passed previously with amendments, was tabled after S. 6 was amended to contain the House-approved language. pp. 14462-87
31. CREDIT UNIONS. Rep. Patman inserted his recent speech on legislative developments as they pertain to Federal credit unions. pp. 14546-8
32. AUTOMATION. The Education and Labor Committee voted to report (but did not actually report) H. R. 11611, to establish a National Commission on Technology, Automation, and Economic Progress. p. D511
33. LABOR STANDARDS. The General Subcommittee on Labor of the Education and Labor Committee ordered reported to the full committee H. R. 9824 (amended), to extend the Fair Labor Standards Act (a clean bill to be introduced). p. D511
34. LEGISLATIVE PROGRAM. Rep. Boggs announced that on Tues., June 20, and the balance of the week, the foreign aid appropriation bill, and the resolution to provide for the concurrence of the House in the Senate amendment to the civil rights bill will be considered. p. 14487
35. ADJOURNED until Mon., June 29. p. 14487

# FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1965

JUNE 25, 1964.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GARY, from the Committee on Appropriations, submitted the following

## REPORT

[To accompany H.R. 11812]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1965.

### SUMMARY OF THE BILL

Title	Title	Estimates	Recommended in bill for fiscal year 1965	Bill compared with estimates
I	Foreign assistance.....	\$3, 516, 700, 000	\$3, 316, 572, 400	—\$200, 127, 600
II	Foreign assistance (other).....	441, 677, 000	422, 677, 000	—19, 000, 000
III	Export-Import Bank (limitation on T.B.A.).....	(1, 353, 841, 000)	(1, 353, 841, 000)	-----
	Total.....	3, 958, 377, 000	3, 739, 249, 400	—219, 127, 600

The committee considered estimates for the various programs contained in the bill in the total amount of \$3,958,249,400. These estimates were presented in the January Budget and subsequently amended in House Documents 240, 285, 305, and 306.

The accompanying bill recommends the appropriation of \$3,739,249,400, which is \$219,127,600 below the budget estimates.

### GENERAL STATEMENT

The purpose of the Foreign Assistance Program is to promote the security of the United States by providing assistance and encouragement to other nations of the world so that they can grow in political

freedom, national independence, and economic security. As these objectives are realized, the likelihood of such nations coming under the influence of our enemies is lessened and their ability to assist us in shouldering the burdens of the free world is increased. As they grow in economic strength, international trade, essential to the prosperity of the United States, will increase.

Foreign assistance should not be expected to win unswerving support from every recipient country for official U.S. views on every international issue. We are dealing with independent nations which are trying to solve, in a few years, serious problems which often took generations to solve in the more developed countries. Our hope is that this program will enable the underdeveloped countries of the world to substitute strength and confidence for fear and insecurity and take their places with the world alliance of free nations. Many of the free nations of the world today could not have maintained their freedom if the United States had not provided aid when they were beset by internal problems and external pressures.

The Committee recognizes that programs, consisting of thousands of individual projects scattered throughout many parts of the globe, are not consistently perfect in every respect. It is apparent that projects initially well-planned can, by virtue of international political developments or other factors, later appear to have been ill-advised. It is obvious that there have been some errors of judgment and some plain mismanagement and waste. While the Committee cannot and does not condone ineptness and inefficiency, it realizes that some blunders are inevitable in a program of this magnitude.

As a part of his effort to reduce the total Federal Budget, the President requested \$1,008,625,000 less for the Foreign Assistance Program for fiscal year 1965 than was requested for the previous fiscal year. If this action had not been taken, the Committee would in all probability have felt it necessary to repeat its action of last year and recommend a larger reduction in the funds provided.

The Committee is of the opinion, in view of the conditions existing throughout the world, that the President should have adequate funds available to honor our commitments abroad and to provide for eventualities of the coming fiscal year. The Committee feels that the amount recommended in the accompanying bill will be sufficient to meet both of these objectives, and that the recommended reduction is the maximum reduction which can be made with safety.

## TITLE I—FOREIGN ASSISTANCE

The following table summarizes Committee action on the Foreign Assistance program. In the absence of final Congressional authorization for the program for fiscal year 1965, the Committee has utilized the bill (H.R. 11380), as passed by the House, as its authorization guideline.

	Authorization bill (H. R. 11380) as passed the House	Recommended in the bill	Bill compared with House- passed authori- zation bill
<b>FOREIGN ASSISTANCE ACT ACTIVITIES</b>			
Economic assistance:			
Development grants.....	\$224, 600, 000	\$204, 600, 000	—\$20, 000, 000
American schools and hospitals abroad.....	18, 000, 000	18, 000, 000	-----
Surveys of investment opportunities.....	2, 100, 000	2, 100, 000	-----
International organizations and programs.....	134, 272, 400	134, 272, 400	-----
Supporting assistance.....	405, 000, 000	405, 000, 000	-----
Contingency fund.....	150, 000, 000	150, 000, 000	-----
Alliance for Progress:			
Development grants.....	85, 000, 000	85, 000, 000	-----
Development loans.....	465, 000, 000	425, 000, 000	—40, 000, 000
Development loans.....	922, 200, 000	782, 200, 000	—140, 000, 000
Administrative expenses, AID.....	52, 500, 000	52, 500, 000	-----
Administrative expenses, State.....	2, 900, 000	2, 900, 000	-----
Subtotal, economic assistance.....	2, 461, 572, 400	2, 261, 572, 400	—200, 000, 000
Military assistance.....	1, 055, 000, 000	1, 055, 000, 000	-----
Total.....	3, 516, 572, 400	3, 316, 572, 400	—200, 000, 000

## FUNDS AVAILABLE

The table below is a comparison of the funds estimated to be available to the program in fiscal year 1965, based on the recommended appropriation of \$3,316,572,400, with amounts available in fiscal year 1964:

Item	Fiscal year 1964	Fiscal year 1965
New appropriations.....	\$3, 000, 000, 000	\$3, 316, 572, 400
Carry-over from prior year appropriations.....	398, 793, 000	53, 100, 000
Transfers between appropriations.....	—120, 000	-----
Reimbursements and receipts.....	5, 500, 000	3, 600, 000
Deobligations of prior year obligations.....	219, 483, 000	194, 500, 000
Total.....	3, 623, 656, 000	3, 567, 772, 400

In addition to the recommended reduction of \$200,127,600 in the estimates to finance the Foreign Assistance program in fiscal year 1965, the Committee has included in the accompanying bill a provision which will, in effect, place in a "reserved" status an additional \$300,000,000 of the economic assistance funds included in the bill.

The \$300,000,000, or any portion thereof, may not be used until such time or times as the President determines that the release of any portion of the \$300,000,000 is in the national interest to finance the cost of additional authorized projects of the Foreign Assistance program.

## DEVELOPMENT GRANTS

1965 estimate.....	\$224, 600, 000
1965 authorization.....	224, 600, 000
1964 appropriation.....	155, 000, 000
Recommended for 1965.....	204, 600, 000

This appropriation is used principally to hire experts and technicians to help other countries, exclusive of those countries in Latin America, train teachers, health workers, agricultural extension agents, and other skilled persons needed to achieve economic progress.

The budget proposed a program of \$234,800,000, to be financed by \$224,600,000 in new obligational authority, \$1,000,000 from reimbursements and receipts, and \$9,200,000 from deobligations of prior year obligations.

The budget program, on a regional basis, is as follows:

Region	Fiscal year 1965 program
Near East and South Asia.....	\$49,300,000
Far East.....	47,500,000
Africa.....	82,900,000
Non-regional.....	55,100,000
Total.....	234,800,000

Included within the program are estimates for programs in 48 countries, CENTO, regional programs, and financing for the inter-regional program, ocean freight and research programs.

For this program the Committee is recommending an appropriation of \$204,600,000, which is \$49,600,000 above the 1964 appropriation, and \$20,000,000 below the estimate.

The Committee has been impressed with the importance and success of the malaria eradication program and urges that the funds budgeted for this program be so allocated. In addition, a number of countries have received funds on a loan basis for this program and the Committee hopes that future applications for the same purpose will receive favorable consideration.

#### AMERICAN SCHOOLS AND HOSPITALS ABROAD

1965 estimate.....	\$18,000,000
1965 authorization.....	18,000,000
1964 appropriation.....	19,000,000
Recommended for 1965.....	18,000,000

This program is designed to provide limited financial support by the U.S. Government to the following 11 American schools and hospitals located in various countries overseas:

Institution	1964 program	Proposed, 1965
American University of Beirut (AUB).....	\$2,880,000	-----
AUB Medical Center.....	1,360,000	-----
American University of Cairo.....	600,000	-----
International College of Beirut.....	1,500,000	-----
Robert College.....	2,800,000	-----
Athens College.....	300,000	-----
Pierce College.....	1,950,000	-----
Anatolia College.....	291,000	-----
American Farm School.....	180,000	-----
Escuela Agricola Panamericana.....	470,000	-----
Project Hope.....	1,600,000	-----
Polish Childrens Hospital.....	2,200,000	-----
School of Nursing, Admiral Bristol Hospital.....	110,500	-----
Consultant services.....	5,000	-----
Uncommitted balance.....	653,500	-----
Total U.S. dollars.....	15,900,000	\$16,900,000
Excess foreign currencies owned by U.S. Treasury:		
American University in Cairo (Egyptian pound).....	800,000	-----
Polish Children's Hospital (Polish zlotys).....	3,900,000	-----
Total foreign currencies.....	4,700,000	1,100,000
Total U.S. dollars and foreign currencies.....	20,600,000	18,000,000

<sup>1</sup> Estimated—final determinations pending.

<sup>2</sup> Includes \$1,600,000 transferred from contingency fund for Project Hope.

The Committee recommends the budget estimate of \$18,000,000 for this program in fiscal year 1965 which is \$1,000,000 below the 1964 appropriation.

## SURVEYS OF INVESTMENT OPPORTUNITIES

1965 estimate.....	\$2, 100, 000
1965 authorization.....	2, 100, 000
Recommended for 1965.....	2, 100, 000

The Congress appropriated \$1,500,000 in fiscal year 1962 to initiate this program. Under the program, AID can agree to pay up to one-half the cost of investment surveys undertaken by prospective investors in under-developed countries. If the survey results in an investment, the prospective investor pays the full cost of the survey. If, after a reasonable period of time, the prospective investor decides not to invest, AID pays the agreed portion of the cost, takes title to the survey, and makes it available to any other potential United States investors. Seventy-seven investment surveys were obligated from the inception of the program in fiscal year 1962, thru May 1, 1964. Inasmuch as AID has to obligate its entire share of the survey, pending a final decision by the potential investor and consequent reimbursement of its cost, AID anticipates that it will have obligated by June 30, 1964, \$1,000,000 of the original appropriation of \$1,500,000.

The Committee recommends an appropriation of \$2,100,000 and has continued available the anticipated unobligated funds of \$500,000 on hand on June 30, 1964.

## INTERNATIONAL ORGANIZATIONS AND PROGRAMS

1965 estimate.....	\$134, 400, 000
1965 authorization.....	134, 272, 400
1964 appropriation.....	116, 000, 000
Recommended for 1965.....	134, 272, 400

The Budget proposed contributions, on a voluntary basis, to the following programs of the United Nations and two international programs:

Program	1965 estimate
U.N. Expanded Program of Technical Assistance and Special Fund.....	\$60, 000, 000
U.N. Technical and Operational Assistance to the Congo.....	5, 000, 000
U.N. Emergency Force (Near East).....	850, 000
U.N. Relief and Works Agency for Palestine Refugees.....	16, 000, 000
U.N. Children's Fund.....	12, 000, 000
U.N. Food and Agricultural Organization World Food Program.....	2, 300, 000
International Atomic Energy Operational Program.....	1, 100, 000
Indus Basin Development Fund.....	37, 000, 000
International Peace Corps Secretariat.....	150, 000
Total.....	134, 400, 000

The Committee recommends an appropriation of \$134,272,400, the amount authorized, to finance the voluntary contribution of the United States to these international organizations and programs.

## SUPPORTING ASSISTANCE

1965 estimate.....	\$405, 000, 000
1965 authorization.....	405, 000, 000
1964 appropriation.....	330, 000, 000
Recommended for 1965.....	405, 000, 000

Supporting assistance is economic aid used to advance U.S. national security and foreign policy objectives in situations where basic economic conditions make the strict criteria of development assistance inapplicable.

The budget proposed a program of \$418,600,000 for 13 countries and CENTO, to be financed by \$405,000,000 in new obligational authority (including the recent budget amendment of \$70,000,000 for Vietnam) \$1,600,000 derived from reimbursements and receipts, and \$12,000,000 from deobligations of prior year obligations.

The budget program, on a regional basis, is as follows:

Region	Fiscal year 1965 program
Latin America.....	\$17,400,000
Near East and South Asia.....	37,800,000
Far East.....	332,200,000
Africa.....	31,000,000
Non-regional.....	200,000
Total.....	418,600,000

The Committee recommends the appropriation of the budget estimate of \$405,000,000, which is \$75,000,000 above the fiscal year 1964 appropriation.

#### CONTINGENCY FUND

1965 estimate.....	\$150,000,000
1965 authorization.....	150,000,000
1964 appropriation.....	50,000,000
Recommended for 1965.....	150,000,000

The Contingency Fund is used to meet urgent and unforeseen assistance needs that could not be defined with reasonable accuracy at the time of presentation of the program.

The Committee recommends the appropriation of the budget estimate of \$150,000,000 for this purpose in fiscal year 1965. In addition, the present estimate of unobligated funds from the fiscal year 1964 appropriation which is estimated to be approximately \$1,000,000, has been reappropriated by the Committee to provide a total of \$151,000,000 in fiscal year 1965.

#### ALLIANCE FOR PROGRESS

The President's Budget proposed a program of \$570,300,000 for the Alliance for Progress program in fiscal year 1965 composed of the following two items:

Appropriation	New obligational authority	Carryover and reim- bursements and receipts	Deobliga- tions of prior year obligations	Fiscal year 1965 program
Development loans.....	\$465,000,000	\$7,300,000	\$10,000,000	\$482,300,000
Development grants.....	85,000,000		3,000,000	88,000,000
Total.....	550,000,000	7,300,000	13,000,000	570,300,000

In addition to the above program, the Budget also contained \$17,400,000 in the Supporting Assistance estimate and \$66,215,000 in the Military Assistance estimate for use in Latin America.

As it has done in the past, and in accord with the 1965 Budget, the Committee has included in the accompanying bill language appropriating funds in two separate paragraphs: development loans and development grants.

*Development loans.*—The Budget proposed an appropriation of \$465,000,000 for development loans in Latin America in fiscal year 1965.

The Committee recommends an appropriation of \$425,000,000, which is \$40,000,000 below the estimate and \$50,000,000 above the appropriation for this purpose in fiscal year 1964.

*Development grants.*—The Budget contained an estimate of \$85,000,000 for development grants in Latin America during fiscal year 1965.

The Committee recommends the appropriation of \$85,000,000, the budget estimate, which is \$5,000,000 above the appropriation for this purpose in fiscal year 1964.

During the hearings on this program the Committee ascertained to its satisfaction that resistance by the traditional ruling groups in Latin America to changes proposed by the Act of Bogotá and the Charter of Punta del Este, which are embodied in the Alliance for Progress program, is a major factor in many countries against the success of the program.

Inasmuch as appropriations recommended by the Committee implement the objectives of the Alliance for Progress program, the Committee is concerned as to what can be done by the Executive to dispel this opposition of the ruling groups and impress upon them the vital importance of the success of this program.

## DEVELOPMENT LOANS

1965 estimate.....	\$922, 200, 000
1964 appropriation.....	687, 300, 000
Recommended for 1965.....	782, 200, 000

The Budget proposed a development lending program, exclusive of the Latin America area, of \$960,200,000, composed of the following items:

Item	Fiscal year 1965 program
New obligational authority.....	\$922, 200, 000
Loan receipts.....	3, 000, 000
Reimbursements and receipts.....	10, 000, 000
Deobligations of prior year obligations.....	25, 000, 000
Total.....	960, 200, 000

The Budget program, on a regional basis, follows:

Region	Fiscal year 1965 program
Near East and South Asia.....	\$785, 000, 000
Far East.....	70, 000, 000
Africa.....	105, 000, 000
Non-regional.....	200, 000
Total.....	960, 200, 000

The Committee recommends an appropriation of \$782,200,000 for this program in fiscal year 1965, which is \$94,900,000 above the fiscal year 1964 appropriation, and \$140,000,000 below the estimate.

In addition to this recommended appropriation of \$782,200,000, the Committee has also approved three other items in this bill related to development lending: (1) \$425,000,000 for development lending under the Alliance for Progress appropriation discussed earlier, (2) \$61,656,000 to the International Development Association, and (3) \$205,880,000 as an appropriation for callable capital stock of the Inter-American Development Bank. In summary, the Committee has approved a total of \$1,268,856,000 for development lending in fiscal year 1965, plus an additional \$205,880,000 for the Inter-American Bank which is a guarantee behind bonds that the Bank will issue to secure funds in the private capital markets for development lending purposes in Latin America.

#### ADMINISTRATIVE EXPENSES, AID

1965 estimate.....	\$52, 500, 000
1965 authorization.....	52, 500, 000
1964 appropriation.....	50, 000, 000
Recommended for 1965.....	52, 500, 000

In addition to the estimate of \$52,500,000, the Budget anticipated an additional \$1,000,000 in reimbursements and receipts, to provide a total of \$53,500,000 for administrative expenses of the Agency for International Development in fiscal year 1965.

An appropriation of \$52,500,000, the budget estimate, is recommended for this purpose in fiscal year 1965, which is \$2,500,000 above the fiscal year 1964 appropriation.

#### ADMINISTRATIVE EXPENSES, STATE

1965 estimate.....	\$2, 900, 000
1964 appropriation.....	2, 700, 000
Recommended for 1965.....	2, 900, 000

The Budget estimate of \$2,900,000 was requested for financing those activities of the Department of State connected with the foreign aid program as follows:

Program	Fiscal year 1965 estimate
U.S. missions to NATO and OECD.....	\$1, 999, 000
Mutual Defense Assistance Control Act.....	901, 000
Total.....	2, 900, 000

The Committee recommends an appropriation of \$2,900,000 for this purpose in fiscal year 1965, which is \$200,000 above the appropriation for this purpose in fiscal year 1964.

#### MILITARY ASSISTANCE

1965 estimate.....	\$1, 055, 000, 000
1965 authorization.....	1, 055, 000, 000
1964 appropriation.....	1, 000, 000, 000
Recommended for 1965.....	1, 055, 000, 000

The military assistance program provides military equipment, training and related services to friendly free world nations to help them protect themselves against external attack or internal subver-

sion. The program is based on the recognition that the security of the United States is interdependent with the security and well-being of the rest of the free world. It reflects a substantial U.S. commitment to collective defense.

The Budget proposed a program of \$1,215,000,000 composed of the following items:

[Dollars in millions]

	Fiscal year 1965 program
New obligational authority (NOA) .....	\$1,055.0
Reappropriations .....	25.0
Recoupments .....	135.0
Total program against NOA .....	1,215.0

The Budget contemplated a grant materiel program in 40 countries, and a training program only in 13 additional countries. The presentation of the program this year differed from past years in that the country programs were not arranged geographically but were discussed under the following five main headings, each of which indicates the predominant objective of the military assistance program to the countries included under that heading:

	Fiscal year 1965		
	Proposed program for (53)	Training only <sup>1</sup> for (13)	
Forward defense:			
China, Republic of .....	X		
Greece .....	X		
India .....	X		
Iran .....	X		
Korea .....	X		
Laos .....	X		
Pakistan .....	X		
Philippines .....	X		
Thailand .....	X		
Turkey .....	X		
Vietnam .....	X		
Total, forward defense .....			\$799,955,000
Alliance for Progress security:			
Argentina .....	X		
Bolivia .....	X		
Brazil .....	X		
Chile .....	X		
Colombia .....	X		
Costa Rica .....	X		
Dominican Republic .....	X		
Ecuador .....	X		
El Salvador .....	X		
Guatemala .....	X		
Honduras .....	X		
Mexico .....		X	
Nicaragua .....	X		
Panama .....		X	
Paraguay .....	X		
Peru .....	X		
Uruguay .....	X		
Venezuela .....		X	
Total, Alliance for Progress .....			66,215,000

<sup>1</sup> Costs included in regional costs.

	Fiscal year 1965		
	Proposed program for (53)	Training only <sup>1</sup> for (13)	
Military base:			
Libya.....	X		
Portugal.....	X		
Spain.....	X		
Country A.....	X		
Total, military base.....			\$24, 453, 000
Grant-aid phase out:			
Denmark.....	X		
Japan.....	X		
Netherlands.....		X	
Norway.....	X		
Total, grant-aid phase out.....			52, 964, 000
Free world orientation:			
Afghanistan.....		X	
Congo.....	X		
Indonesia.....		X	
Iraq.....		X	
Jordan.....	X		
Lebanon.....		X	
Liberia.....	X		
Mali.....	X		
Morocco.....	X		
Nigeria.....		X	
Saudi Arabia.....		X	
Senegal.....	X		
Syria.....		X	
Tunisia.....		X	
Country B.....	X		
Country C.....		X	
Total, free world orientation.....			15, 218, 000
U.S. force support and MAP administration:			
Infrastructure.....			60, 000, 000
International military headquarters.....			15, 900, 000
Supply operations.....			84, 700, 000
Regional costs.....			22, 095, 000
Program administration.....			23, 500, 000
Credit assistance.....			50, 000, 000
Total.....			256, 195, 000
Total obligational authority.....			1, 215, 000, 000
Less reappropriation and recoupments.....			-160, 000, 000
Total.....			1, 055, 000, 000

<sup>1</sup> Costs included in regional costs.

The Committee recommends the appropriation of the budget estimate of \$1,055,000,000 for the program in fiscal year 1965. Of this amount approximately \$200,000,000 is programmed for Vietnam.

Testimony disclosed that one reason for the drop in the fund requirements for the program is the fact that the fiscal year 1965 country program for Europe is only \$49 million, as compared to the comparable program in fiscal year 1964 of \$126,800,000.

## TITLE II—FOREIGN ASSISTANCE (OTHER)

## PEACE CORPS

1965 estimate.....	\$106, 100, 000
1964 appropriation.....	92, 100, 000
Recommended for 1965.....	87, 100, 000

The amended Budget proposes an appropriation of \$106,100,000 to finance the activities of the Peace Corps in fiscal year 1965.

Testimony presented to the Committee indicated that the anticipated unobligated balance of funds on June 30, 1964, would be approximately \$9,000,000. Subsequently, the agency reported to the Committee that later estimates indicated the unobligated balance would be approximately \$17,000,000.

Therefore, the Committee recommends an appropriation of \$87,-100,000, plus the reappropriation of the estimated \$17,000,000, to provide a total of \$104,100,000 for the operation of the Peace Corps in fiscal year 1965 to finance a strength of approximately 14,000 volunteers.

## DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

## RYUKYU ISLANDS, ARMY

1965 estimate.....	\$14, 441, 000
1964 appropriation.....	10, 000, 000
Recommended for 1965.....	14, 441, 000

The Budget proposed the following programs for the administration of the Ryukyu Islands in fiscal year 1965:

Purpose of projects	Estimate, fiscal year 1965
Administrative activities.....	\$2, 441, 000
Pay of civilian employees.....	1, 954, 000
Travel of civilian employees.....	150, 000
Information materials and services.....	150, 000
Operating expenses.....	187, 000
Aid to Ryukyuan economy.....	12, 000, 000
Reimbursement for Government services.....	1, 200, 000
Contribution to Government projects.....	5, 710, 000
Transportation of commodities.....	5, 000
Technical education and training.....	735, 000
Technical cooperation.....	350, 000
Construction of water system.....	4, 000, 000
Total.....	14, 441, 000

The Ryukyu Islands, by treaty with Japan, are, for an indefinite period, under the absolute control of the United States. The United States has important military bases there—with an estimated value of over \$1 billion—which are vital to the Free World as long as conditions of threat and tension exist. With this authority goes responsibility for the economic and social betterment of the Ryukyuan people. The economic budget program of \$12,000,000 to meet this responsibility will finance educational facilities, public health programs, public safety and social welfare facilities, and public works and economic development projects.

The Committee recommends the appropriation of the budget estimate of \$14,441,000 for this purpose in fiscal year 1965.

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

### SOCIAL SECURITY ADMINISTRATION

#### Assistance to Refugees in the United States

1965 estimate.....	\$45,400,000
1964 appropriation.....	39,717,137
Recommended for 1965.....	45,400,000

This program is designed to provide the following assistance to Cuban refugees who have fled from Communist Cuba and sought refuge in the United States—primarily in the Miami, Florida, area:

(a) Financial assistance to refugees who are in need of assistance for the essentials of life;

(b) Financial assistance to meet the cost of resettlement and the location of employment opportunities outside the Miami area;

(c) Care of Cuban refugee children who are in the United States unaccompanied by parents or close relatives;

(d) Health services, including medical screening, X-ray examinations, outpatient medical care for needy refugees, and long-term hospitalization costs of persons with tuberculosis and mental disorders; and

(e) Funds to meet part of the extra expenses which the Miami public schools have had to assume because of the large number of refugee children; funds for loans to needy Cuban college students; and funds for English and vocational training classes for refugee adults, and for retraining courses for physicians, teachers, and other selected professional persons to enable them to obtain jobs and be resettled outside the Miami area.

The fiscal year 1965 budget program to finance the above objectives follows:

Activity	1964 estimate	1965 estimate
1. Direction and coordination of program including reception, registration, and classification of refugees.....	\$1,025,000	\$925,000
2. Welfare assistance and services:		
(a) Financial assistance to needy refugees in the Miami area.....	22,952,000	16,023,000
(b) Transitional resettlement allowances.....	720,000	599,000
(c) Assistance to resettled Cuban refugees who become needy.....	4,000,000	5,196,000
(d) Unaccompanied children.....	6,400,000	5,594,000
(e) Distribution of surplus commodities.....	126,000	90,000
(f) Hospitalization.....	1,616,000	1,071,000
(g) State administration of assistance and hospitalization program.....	1,575,000	1,442,000
Total welfare assistance and services.....	37,389,000	30,015,000
3. Resettlement and employment opportunities.....	2,866,000	2,366,000
4. Education:		
(a) Assistance to Dade County public schools.....	6,065,000	5,616,000
(b) Vocational training for youth and adults.....	2,067,000	1,833,000
(c) Assistance to college students.....	2,164,000	2,595,000
(d) Professional training and placement.....	800,000	700,000
Total, education.....	11,096,000	10,744,000
5. Health services:		
(a) Refugee health clinic.....	687,000	606,000
(b) Outpatient medical clinic services.....	270,000	246,000
(c) Maternal and child health and school health services.....	226,000	226,000
(d) Hospitalization for long-term illness.....	241,000	272,000
Total, health services.....	1,424,000	1,350,000
Total, assistance to refugees in the United States.....	53,800,000	45,400,000

The Congress appropriated \$39,717,137 plus the reappropriation of approximately \$14,000,000 in unobligated funds last year to provide a total program of \$53,800,000 in fiscal year 1964. This year the Committee recommends the appropriation of the budget estimate of \$45,400,000, which is \$5,682,863 above the 1964 appropriation but a decrease of \$8,400,000 in funds available to the program.

## DEPARTMENT OF STATE

## MIGRATION AND REFUGEE ASSISTANCE

1965 estimate..... \$8,200,000  
 1964 appropriation..... 10,550,000  
 Recommended for 1965..... 8,200,000

The Committee recommends the appropriation of the budget estimate of \$8,200,000 for the following program in fiscal year 1965, which is \$2,350,000 below the appropriation for fiscal year 1964.

Program	1963 actual	1964 estimate	1965 estimate
1. Contributions to Intergovernmental Committee for European Migration.....	\$7,902	\$5,500	\$5,000
2. Contributions to program of United Nations High Commissioner for Refugees.....	900	750	500
3. Refugees from European Communist countries.....	1,004	1,250	1,000
4. Refugees from Communist China.....	2,100	2,000	730
5. Tibetan refugees.....	432	400	350
6. Administration.....	666	650	620
Total.....	13,004	10,550	8,200

## INTER-AMERICAN DEVELOPMENT BANK

1965 estimate..... \$205,880,000  
 1964 appropriation..... 50,000,000  
 Recommended for 1965..... 205,880,000

Public Law 88-259, approved January 22, 1964, provided for increased United States participation in the Inter-American Development Bank and authorized \$461,760,000 for this purpose. Against this authorization the Congress appropriated \$50,000,000 in the fiscal year 1964 Foreign Aid Appropriation Act. This estimate of \$205,880,000 is one-half of the proposed \$411,760,000 share of the United States in the increased callable capital stock of the Bank. The estimate for the balance of the authorization, \$205,880,000 will probably be contained in the fiscal year 1966 Budget. Testimony indicated that it is highly unlikely that the recommended appropriation of \$205,880,000 would be paid out as an actual cash expenditure of the Treasury. Callable capital of the Bank represents an effective guarantee of the member governments for its obligations and thus permits the Bank to raise funds in the private capital markets.

## INTERNATIONAL DEVELOPMENT ASSOCIATION

1965 estimate..... \$61,656,000  
 1964 appropriation..... 61,656,000  
 Recommended for 1965..... 61,656,000

The Committee recommends the appropriation of the budget estimate of \$61,656,000, which is the fifth and final installment of the United States subscription of \$320,290,000 to the International Development Association, an affiliate of the World Bank.

However, the Congress recently approved legislation (Public Law 88-310) which authorized an additional United States subscription of \$312,000,000 in the resources of the Association. It is anticipated that the first installment of this new subscription will be requested in the fiscal year 1966 Budget.

## TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

*Limitation on operating and administrative expenses.*—The Budget proposes an operating expense budget of \$1,353,841,000, including \$3,781,000 for administrative expenses of the Bank. The Committee has approved the budget estimate for both purposes and has included limitations in the accompanying bill to that effect.

The Budget also proposed the deletion of language which prohibited the Bank from guaranteeing the payment of obligations of Communist countries unless the President determined that such guarantees were in the national interest. The Committee has retained the limitation in the accompanying bill.

## GENERAL PROVISIONS

The Committee has retained most of the General Provisions carried in last year's bill. It has dropped Section 117 of the current Act (Public Law 88-258) relating to the use of loan receipts inasmuch as the provision is of a permanent nature.

## LIMITATIONS AND LEGISLATIVE PROVISIONS

The following provision not heretofore carried is recommended: On page 4, in connection with economic assistance appropriations:

*Of the foregoing amounts for economic assistance, \$300,000,000 shall be available for obligation only through the apportionment review and approval procedure prescribed by law in such amounts and at such times as may be determined by the President in the national interest that funds otherwise available for the purposes of programs under this Title are insufficient to meet the cost of additional authorized projects.*

## MINORITY VIEWS

We, the undersigned, firmly believe that the accompanying bill would provide funds far in excess of the real needs of many of the programs which it funds. The bill does not reflect the facts that were brought out in the long and searching hearings. In our opinion, the appropriation of funds in the amount carried in the bill is, very definitely, not in the best interests of our Nation.

The limited time available for the preparation of minority views does not permit documentation in great detail. However, such detail is not necessary to illustrate the validity of the foregoing statements.

The foreign aid program is an amazing program. It is hard to believe, but it is true, that we are financing over 4,000 foreign aid projects scattered all over the face of the earth. This includes prime, sub, and related projects. It is hard to believe, but it is true, that there are now 71,416 people, including participants, on its payroll—an increase of 7,000 during the last year. It has reached such proportions that even the confusion is confused.

The foreign aid program has no counterpart in any other program operated by the U.S. Government. The legislative authority specifies that funds shall be spent for programs which are outlined in the broadest possible terms. While funds are authorized and appropriated for these purposes, up to 10 percent of the funds appropriated for any purpose may be used for other purposes. In addition, a contingency fund is provided which the President may use for any purpose authorized under the act. Military assistance also has its own contingency fund provided by law in the amount of \$300 million.

The foregoing facts would serve to bolster the statement that "This is the most flexible program known to man." But there are other factors than flexibility which have caused the program, in the words of Chairman Passman, to be "uncontrolled and uncontrollable." The executive department justifies its request for appropriations on an "illustrative" basis. In other words, it tells the Appropriations Committee what it intends to do with money when it is appropriated. However, it can do something entirely different with the funds, once it comes into possession of them. For instance, it would be entirely possible for the Agency to justify the appropriation of money for the construction of a dam in Tunisia, and then use it to build a bridge in Iran.

Any budget prepared for the foreign aid program must, of necessity, be an estimate of the wildest sort. From start to finish, it is based on conjecture as to (1) the number and extent of projects which will be approved by our Government and the host governments, (2) development of worldwide situations, and (3) the physical ability to spend money appropriated. Further, it is impossible for the Appropriations Committee to ascertain with any degree of accuracy the amount of unobligated funds which are left at the end of the fiscal year. It has been stated that these figures for any fiscal year are not available

until October of the following year. Since it has been the custom of the Appropriations Committee to ask the House to reappropriate unobligated funds for this program, this factor adds uncertainty to the proper level of appropriations in the following fiscal year.

With these uncertainties, vagaries, and other built-in flexibilities of this program, it seems strange that each year the Executive attempts to tell the people of the country that unless a certain figure is appropriated by the Congress that (1) the foreign aid program will falter and die, (2) our foreign relations will be damaged irreparably, and (3) we will be known as a tightwad around the world. Instead, it should be obvious that the matter is a guess at the very best and that there are only a few people who have gone into the matter well enough to be thoroughly informed. Not all of those people are in the executive department. In fact, the chairman of this subcommittee, the Honorable Otto Passman, has spent over 800 hours in this program during 1963 and over 300 hours in calendar year 1964 in research and in conducting hearings, and he has given the same dedicated service to the subcommittee for the last 10 years. Over the years all of the members who have signed this minority report have been regular and diligent in their attendance at the hearings. In other words, we feel that as legislators (1) we are disinterested judges, looking only at the facts as we see them; (2) we are interested in saving money for the taxpayers of the United States; and (3) we are interested in furthering the purposes of the foreign aid program as set forth in authorizing legislation, because it is the law of the land and not necessarily because we are advocates of it.

#### ADEQUACY OF \$3 BILLION FOREIGN AID PROGRAM

Last year the Congress appropriated \$3 billion in new funds and during the hearings this year the committee ascertained from various "key witnesses" the following descriptions of the current fiscal year program:

Secretary of State Rusk:

Mr. PASSMAN. Do you think you have a fairly satisfactory program going at this time in the various segments of our so-called mutual security effort?

Secretary RUSK. I would think so. If the situation remains approximately as it is in the principal parts of the world, we believe the present types of programs we have, and are recommending, taking everything into account, are reasonable.

AID Administrator Bell:

All in all, Mr. Chairman, including the funding from the contingency fund that we are doing, it seems to me that we are able to carry out—with some qualifications in the military assistance field—the essential minimum of activities that are in the U.S. interests in the current fiscal year.

AID Assistant Administrator (Africa) Hutchinson:

Mr. PASSMAN. Mr. Hutchinson, do you consider you have a reasonably satisfactory program in your region for fiscal 1964?

Mr. HUTCHINSON. Yes, sir.

AID Assistant Administrator (Far East) Poats:

Mr. PASSMAN. My question is, do you have a foreign aid program that is reasonably satisfactory, operating now in the Far East, from funds previously appropriated?

Mr. POATS. In those cases where the political situation permits it, we have adequate funds, because we are drawing upon the contingency fund.

AID Assistant Administrator (Near East and South Asia) Macomber:

Mr. PASSMAN. I am talking about the economic side, the money that is distributed in your area, and you say it is a satisfactory program?

Mr. MACOMBER. I would say it is an adequate program, Mr. Chairman, as I have looked at this thing.

Mr. PASSMAN. Thank you.

Mr. MACOMBER. Let me finish; it is an adequate program but I would like to add that as I looked it over in the last 3 months, it does seem to me we could have and should have had a bit more than we did for development loans. At the same time I have to say it is basically an adequate program.

AID Deputy Coordinator for Alliance for Progress Rogers:

Mr. PASSMAN. Do you think you have a reasonably satisfactory program going on in Latin America?

Mr. ROGERS. Yes, sir.

Despite these encouraging appraisals by the Executive as to the adequacy of funds provided by the Congress for the program in fiscal year 1964, the following colloquy indicates the increase in the 1965 program even prior to the budget amendment which added an additional \$125 million to the original budget estimate:

Mr. PASSMAN. Let us go to page 8 of your statement:

"We are requesting a total of \$3,391,700,000 in new obligatory authority. One billion of this amount is for military assistance and the remainder for economic assistance; this compares with the \$2,865 million appropriated by the Congress for the current fiscal year for the same purposes."

That is an increase over the funds for fiscal 1964 of how much?

Mr. BELL. You mean the request for 1965?

Mr. PASSMAN. The request for fiscal 1965 exceeds the amount appropriated for the same purpose as mentioned on page 8, so your request—

Mr. BELL. The difference between \$3,391,700,000 and \$2,865 million.

Mr. PASSMAN. Yes. How much do you have there?

Mr. FLINNER. \$526.7 million.

Subsequent to the above testimony, the President submitted the budget amendment of \$125 million for Vietnam. Therefore, on an appropriation basis, the 1965 appropriation estimate is \$651,700,000 above the comparable 1964 appropriation.

The 1964 program—which was “reasonable,” “adequate,” and “satisfactory”—provided funds for economic and military assistance programs in 99 countries and territories. This year the so-called tight, realistic budget which is \$651,700,000 above the comparable 1964 appropriation contains funds to finance economic and military assistance programs in 85 countries and territories, a reduction of 14 countries and territories below the number contained in the 1964 program.

#### GOLD OUTFLOW

We are concerned about the “gold outflow” problem. Even though the latest Treasury reports indicate that the outflow has been somewhat arrested, our gold stockpile stood at only \$15,596 million on December 31, 1963. This compares with the gold stockpile of \$22,857 million on December 31, 1957. Against this gold stockpile, which is the source of the strength of the dollar, there are short-term due bills held by foreign nationals, and by foreign governments which use them as support for their own currency, which is estimated to be in the neighborhood of approximately \$26 billion. Consequently, it is within the power of our oversea friends to literally bankrupt the U.S. Treasury.

The table below is an updating—through December 31, 1963—of the gold outflow chart contained in the committee report of last year:

*Net sales of U.S. gold to foreign aid program recipients*

[In millions of dollars—Negative figures represent net sales by the United States; positive figures represent net purchases]

Country	1958	1959	1960	1961	1962	1963	Total
Algeria						-\$15.0	-\$15.0
Argentina	+\$67.2		-\$50.0	-\$90.0	+\$85.0	-30.0	-17.8
Austria	-84.2	-\$82.7	-1.1		-142.5	-32.1	-342.6
Belgium	-329.4	-38.5	-140.9	-144.4	-63.0		-716.2
Burma			-3.8		-20.9		-24.7
Cambodia			-12.0	-3.1	-1.7	+3.2	-13.6
Cameroon Republic						-1.9	-1.9
Central African Republic						-.7	-.7
Ceylon		-7.5					-7.5
Chad						-.7	-.7
Chile	+3.0	-1.3	-2.0	-6.6			-6.9
Congo (Leopoldville)						-3.1	-3.1
Costa Rica				-2.3	-.5		-2.8
Cyprus				-2.0			-2.0
Dahomey						-.8	-.8
Denmark	-17.0	-15.0	-15.0	-35.0	+15.0		-67.0
Dominican Republic				-3.0			-3.0
Ecuador					-3.2	-2.3	-5.5
Egypt			-7.5	-7.8	-1.2	-2.2	-18.7
Country A		-4.7	-3.0				-7.7
France		-265.7	-173.0		-459.1	-517.7	-1,415.5
Gabon						-.7	-.7
Germany (West)			-33.8	-22.5			-56.3
Ghana			-5.6				-5.6
Greece		-15.0	-47.0	-10.2	-19.1		-91.3
Guinea						-2.8	-2.8
Honduras			-.8				-.8
Indonesia		-11.0	-24.9				-35.9
Iran	-2.3		-.4	-16.1		-5.9	-24.7
Iraq			-29.8				-29.8
Israel		-4.4			-10.0	-7.0	-21.4
Italy	-348.8			+100.0			-248.8
Ivory Coast					-1.5		-1.5
Japan	-30.1	-157.4	-15.2				-202.7
Korea		-1.6					-1.6
Laos				-1.9			-1.9
Lebanon				-21.0	-32.1		-53.1
Mauritania						-.8	-.8
Mexico		-30.0	-20.0			-4.0	-54.0
Morocco			-21.0				-21.0
Netherlands	-260.9	-29.9	-249.4	-24.9			-565.1
Niger						-.8	-.8
Nigeria				-20.0			-20.0
Pakistan			-12.5				-12.5
Peru			-15.0	-5.0	-.6	-10.6	-31.2
Portugal	-20.0	-10.0					-30.0
Saudi Arabia			-11.3	-47.5	-12.6		-71.4
Senegal						-1.7	-1.7
Somalia					-1.9		-1.9
Spain	+31.7		-113.7	-156.2	-146.1	-130.0	-514.3
Surinam	-2.5		-2.5		+2.5		-2.5
Syria			-2.1		-1.3	-.4	-3.8
Tunisia			-.5		-.5	-.5	-1.5
Turkey			-6.1	-2.5	-1.1	+2.0	-7.7
United Kingdom	-900.0	-350.0	-550.0	-305.7	-387.0	+329.3	-2,163.4
Upper Volta						-.8	-.8
Yugoslavia		-1.5	-15.9		-1.5	-1.9	-20.8
Net sales of gold	-1,893.3	-1,026.2	-1,585.8	-827.7	-1,204.9	-439.9	-6,977.8

The 57 countries included in the above table have received \$12,-436,400,000 in military and economic assistance from the United States during the period covered by the table. During the same time—January 1, 1958, through December 31, 1963—these 57 countries purchased \$6,977,800,000 of our gold.

## UNEXPENDED BALANCES

The table below indicates the "pipeline" of unexpended funds under title I on hand at the end of each of the last 5 fiscal years:

Fiscal year	Amount of funds in pipeline
1960.....	\$4,830,600,000
1961.....	5,975,400,000
1962.....	6,629,500,000
1963.....	7,044,200,000
1964 (estimate).....	6,613,762,000

The following table is a breakdown by program of the estimated unexpended funds for 1964:

*Unexpended funds, June 30, 1964*

TITLE I	
1. Military assistance.....	\$2,050,751,000
2. Development grants.....	324,856,000
3. American schools and hospitals abroad.....	20,080,000
4. Surveys-investment opportunities.....	1,420,000
5. International organizations and programs.....	99,640,000
6. Supporting assistance.....	308,723,000
7. Contingency fund.....	170,052,000
8. Chilean reconstruction.....	9,765,000
9. Alliance for Progress.....	1,232,507,000
10. Development loans.....	2,106,694,000
11. Administrative expenses, AID.....	11,929,000
12. Administrative expenses, State.....	865,000
13. Acquisition of property.....	3,284,000
14. Investment guarantees.....	273,196,000
Subtotal, title I.....	6,613,762,000
TITLE II	
15. Peace Corps.....	52,041,000
16. Army: Ryukyu Islands.....	3,200,000
17. State: Migrants and refugees.....	4,743,000
18. HEW: Cuban refugees.....	6,875,000
19. Inter-American Development Bank.....	200,000,000
20. International Development Association.....	252,840,000
Subtotal, title II.....	519,699,000
Grand total, titles I and II.....	7,133,461,000

Theoretically, these funds represent firm obligations for goods and services on order but not yet delivered. However, the table below indicates that both the economic and military assistance programs have been able to deobligate or dereserve these so-called firm obligations in an amount sufficient to cause considerable concern:

Fiscal year	Economic assistance deobligations	Military assist- and dereservations and/or deobligations	Total deobligations
1956.....	<sup>1</sup> \$111,000,000	\$395,000,000	\$506,000,000
1957.....	127,800,000	188,700,000	316,500,000
1958.....	144,078,000	206,000,000	350,078,000
1959.....	153,260,000	222,900,000	376,160,000
1960.....	160,970,000	208,300,000	369,270,000
1961.....	69,532,000	120,600,000	190,132,000
1962.....	93,211,000	240,700,000	333,911,000
1963.....	83,019,000	250,000,000	333,019,000
1964 (estimate).....	91,800,000	127,700,000	219,500,000
Total.....	1,034,670,000	1,959,900,000	2,994,570,000

<sup>1</sup> Estimated.

Just since April 6 funds have been deobligated, and then reobligated for 236 other projects in the amount of \$50,065,000. What is even more startling is the fact that over \$24 million of these deobligations and reobligations, representing 200 projects, occurred in the short span of time from June 8 to June 19.

One of the primary causes for the substantial pipeline of funds is the number of countries which are recipients of our aid program. A tabulation submitted to the committee indicates that 99 countries and 9 territories will be the beneficiaries of an expenditure of funds in fiscal year 1965 from either the military assistance, economic assistance, or the Public Law 480 surplus agricultural commodities programs. Of the 108 countries and territories receiving disbursements in fiscal year 1965, 38 countries will be beneficiaries from all 3 spigots of aid.

#### SUPPORTING ASSISTANCE

With regard to supporting assistance, one of the programs for which the budget request is not cut 1 cent in the bill, we would like to call attention to three specific factors among the many that convince us that this request—which is an increase of \$75 million over 1964—should be substantially reduced.

1. The following colloquy between Mr. Rhodes and AID Administrator Bell:

Mr. RHODES. How much do you think the figure of \$3,635 million might vary? In other words, you or another witness testified that there will be a necessity for increases in Vietnam and possibly in other parts of the world. Do you have any idea of the total magnitude of these possible increases?

Mr. BELL. Well, as I have indicated on Vietnam, the present hunch, guess, or rough calculation is \$30 to \$50 million more than was included in the supporting assistance figure here, but I would assume that additional amount could be covered out of the contingency fund.

2. The recent decision by Burma not to accept a proposed grant of \$18,090,000 in 1965 for completion of the Rangoon-Mandalay Highway project.

3. Testimony also developed that an estimate of \$700,000 for construction of a 34-mile road in Yemen was not firm, as the AID agency had made no final decision on whether to go ahead with the project in 1965.

Included in the estimate for supporting assistance for Laos was a request for funds to finance the "invisible" expenses of the Lao Government. Testimony indicated that the U.S. Government was financing the expenses of nine Lao embassies and one consulate in the following countries:

Burma  
Cambodia  
France  
India  
Japan

South Vietnam  
Thailand  
United Kingdom  
United States  
Hong Kong (consulate)

## DEVELOPMENT LOANS

We also call attention to specifics in connection with development loans, another program for which a sizable increase—almost \$100 million—is proposed in the bill.

One particular development credit deserves special mention and that is the \$40 million loan which was approved on December 9, 1960, for the Tachien multipurpose dam project in Taiwan. Testimony developed that the cost estimates were too low, the benefit-cost ratio was marginal, and there was no assurance of adequate return on the investment. AID proposed postponement of the project but the Chinese objected because they had attached a great deal of political and psychological—not economic—importance to it. AID then worked out an agreement with the Chinese in October 1963, that AID would consider reserving for a reasonable time the approximately \$40 million for power development projects in Taiwan, if proposed by them and acceptable to AID, and to make funds available on the same terms as the old loan, which were 30 years, 1 year grace period, 3½-percent interest and repayable in NT (Taiwan) dollars. AID debilitated the approximately \$40 million on February 3, 1964, and is holding it in a “reserved” status pending a decision as to whether or not it will approve two smaller power development projects which the Chinese Government has submitted. At the time of the hearings, on May 5, the \$40 million was still in a “reserved” status.

Another proposed development credit that deserves mention is a \$20 million program loan to finance the foreign exchange costs of commodities for Egypt. On May 15, the following colloquy occurred:

Mr. MACOMBER. At this point and time we are not committed to making the loan.

Mr. PASSMAN. That is wonderful. Is it all right with you if I stop there and ask about two more concluding questions on it?

Is it such a status that under a tight 1964 program, since we are not committed, it could carry over until fiscal 1965?

Mr. MACOMBER. We would be using no-year money for this loan.

Mr. PASSMAN. I know; you could not foresee any great harm if you did not have a commitment presently. It is under consideration only. If this carries over into 1965 you would not anticipate trouble, would you?

Mr. MACOMBER. Yes, I can——

Mr. PASSMAN. In 46 days?

Mr. MACOMBER. I can foresee certain circumstances which would make it in the national interest to make this loan in the relatively near future.

Mr. PASSMAN. But you have no commitment presently to make the loan. Is that correct?

Mr. MACOMBER. We have no commitment as of this present moment to make the loan.

The committee tried to ascertain what "national interest" was involved in this particular proposal but was unable to secure a satisfactory response.

#### SPENDING MILLIONS ON PROJECTS NEVER PRESENTED TO CONGRESS

The committee has had confirmed this year, as it has in prior years, the "illustrative" nature of the entire foreign aid program. During fiscal year 1964 the AID agency initiated 60 projects throughout the world which were never presented or justified to the Congress. The fiscal year 1964 cost of these 60 projects is \$7,202,000, and the cost to complete them is presently estimated to be \$21,967,000. A table showing the distribution, by area, of these unjustified projects follows:

Area	Number of unjustified projects	Fiscal year 1964 cost	Present estimate of cost to completion
Africa.....	26	\$3,044,000	\$9,169,000
Far East.....	2	271,000	407,000
Near East and south Asia.....	6	973,000	5,104,000
Latin America.....	26	2,914,000	7,287,000
Total.....	60	7,202,000	21,967,000

Cambodia recently requested that we withdraw our aid program from that country. We have done so, but the committee was surprised to find that the AID agency on April 29, 1964—5 months after we had been requested to get our aid program out of the country—obligated funds to continue the training of Cambodian participants through fiscal year 1968 at a total cost of \$1,650,000.

#### RECOMMENDATIONS

In view of these and many other facts that were brought out in the committee hearings we strongly feel that a total appropriation of \$4,802,190,400, including over \$3 billion for economic and military assistance under title I, will provide very adequately for the programs covered by this bill. The following table shows comparisons of our recommendations with other pertinent figures for each program and in total:

	1964 appropriation		1965			
	House bill	Final	Estimate	Committee bill	Minority recommendation	Minority recommendation below budget estimate
TITLE I—FOREIGN AID (MUTUAL SECURITY)						
Economic assistance.						
Development grants.	\$150,000,000	\$155,000,000	\$224,600,000	\$204,600,000	\$155,600,000	—\$69,000,000
American schools and hospitals abroad.	14,300,000	14,300,000	18,000,000	18,000,000	18,000,000	
American hospitals abroad (special foreign currency program)	4,700,000	4,700,000				
Surveys of investment opportunities.			2,100,000	2,100,000	2,100,000	
International organizations and programs.	100,000,000	116,000,000	134,400,000	134,272,400	119,272,400	—15,127,600
Supporting assistance.	300,000,000	330,000,000	405,000,000	405,000,000	354,000,000	—51,000,000
Contingency fund.	50,000,000	50,000,000	150,000,000	150,000,000	100,000,000	—50,000,000
Inter-American social and economic cooperation program.	100,000,000	135,000,000				
Alliance for Progress:						
Development grants.	80,000,000	80,000,000	85,000,000	85,000,000	85,000,000	
Development loans.	350,000,000	375,000,000	465,000,000	425,000,000	375,000,000	—90,000,000
Development loans.	600,000,000	687,300,000	922,200,000	782,200,000	687,300,000	—234,900,000
Administrative expenses, AIF.	50,000,000	50,000,000	52,500,000	52,500,000	52,500,000	
Administrative expenses, State.	2,700,000	2,700,000	2,900,000	2,900,000	2,900,000	
Subtotal, economic assistance.	1,801,700,000	2,000,000,000	2,461,700,000	2,261,572,400	1,951,672,400	—510,027,600
Military assistance.	1,000,000,000	1,000,000,000	1,055,000,000	1,055,000,000	1,055,000,000	
Total, title I.	2,801,700,000	3,000,000,000	3,516,700,000	3,316,572,400	3,006,672,400	—510,027,600
TITLE II—FOREIGN AID (OTHER)						
Peace Corps.	89,000,000	92,100,000	106,100,000	87,100,000	106,100,000	
Army: Ryukyu Islands.	10,000,000	10,000,000	14,441,000	14,441,000	14,441,000	
HEW: Cuban refugees.	56,000,000	39,717,137	45,400,000	45,400,000	45,400,000	
State: Migrants and refugees.	10,550,000	10,550,000	8,200,000	8,200,000	8,200,000	
Inter-American Development Bank.	50,000,000	50,000,000	205,880,000	205,880,000	205,880,000	
International Development Association.	61,656,000	61,656,000	61,656,000	61,656,000	61,656,000	
Total, title II.	277,206,000	264,023,137	441,677,000	422,677,000	441,677,000	
TITLE III—EXPORT-IMPORT BANK						
Limitation on operating expenses.	1,314,366,000	1,314,366,000	1,350,960,000	1,350,960,000	1,350,960,000	
Limitation on administrative expenses.	3,500,000	3,500,000	3,781,000	3,781,000	3,781,000	
Total, title III.	1,317,866,000	1,317,866,000	1,353,841,000	1,353,841,000	1,353,841,000	
Grand total, all titles.	4,396,772,000	4,581,889,137	5,312,218,000	5,093,090,400	4,802,190,400	—510,027,600

It should be noted, and we wish to emphasize, that for every program of economic and military assistance the amount we recommend is more than the amount approved by the House in the bill for 1964 and is equal to or more than appropriated in the final appropriation act for 1964.

We also wish to point out, and to emphasize that our recommendations provide the full budget estimate for military assistance and the full budget estimate for Vietnam.

Actually, about all that the reductions we recommend would result in, would be a long overdue squeezout of overobligations and a long overdue shortening of the around the world "pipeline."

#### HISTORY OF FOREIGN AID APPROPRIATIONS

The following table sets forth the last 9 years' budgets for foreign aid and the action of Congress thereon:

##### TOTAL ECONOMIC AND MILITARY ASSISTANCE

Fiscal year	Budget estimate	Passed House	Appropriation	Reduction below estimate	Percentage appropriation below budget estimate
1956.....	\$3,266,641,750	\$2,701,275,000	\$2,703,341,750	-\$563,300,000	17.24
1957.....	4,859,975,000	3,425,120,000	3,766,570,000	-1,093,405,000	22.50
1958.....	3,386,860,000	2,524,760,000	2,768,760,000	-618,100,000	18.25
1959.....	3,950,092,500	3,078,092,500	3,298,092,500	-652,000,000	16.51
1960.....	4,429,995,000	3,186,500,000	3,225,813,000	-1,204,182,000	27.18
1961.....	4,275,000,000	3,584,500,000	3,716,350,000	-558,650,000	13.07
1962.....	4,775,500,000	3,657,500,000	3,914,600,000	-860,900,000	18.03
1963.....	4,961,300,000	3,630,400,000	3,928,900,000	-1,032,400,000	20.81
1964.....	4,525,325,000	2,801,700,000	3,000,000,000	-1,525,325,000	33.71
Total.....	38,430,689,250	28,589,847,500	30,322,427,250	-8,108,262,000	21.10

##### ECONOMIC ASSISTANCE ONLY

1956.....	\$2,141,641,750	\$1,996,275,000	\$1,998,341,750	-\$143,300,000	6.69
1957.....	1,859,975,000	\$1,690,120,000	1,749,070,000	-110,905,000	5.96
1958.....	1,786,860,000	1,274,760,000	1,428,760,000	-358,100,000	20.04
1959.....	2,150,092,500	1,563,092,500	1,783,092,500	-367,000,000	17.07
1960.....	2,829,995,000	1,886,500,000	1,925,813,000	-904,182,000	31.95
1961.....	2,275,000,000	1,784,500,000	1,916,350,000	-358,650,000	15.76
1962.....	2,890,500,000	2,057,500,000	2,314,600,000	-575,900,000	19.92
1963.....	3,461,300,000	2,330,400,000	2,603,900,000	-857,400,000	24.77
1964.....	3,120,325,000	1,801,700,000	2,000,000,000	-1,120,325,000	35.90
Total.....	22,515,689,250	16,384,847,500	17,719,927,250	-4,795,762,000	21.30

##### MILITARY ASSISTANCE ONLY

1956.....	\$1,125,000,000	\$705,000,000	\$705,000,000	-\$420,000,000	37.33
1957.....	3,000,000,000	1,735,000,000	2,017,500,000	-982,500,000	32.75
1958.....	1,600,000,000	1,250,000,000	1,340,000,000	-260,000,000	16.25
1959.....	1,800,000,000	1,515,000,000	1,515,000,000	-285,000,000	15.33
1960.....	1,600,000,000	1,300,000,000	1,300,000,000	-300,000,000	18.75
1961.....	2,000,000,000	1,800,000,000	1,800,000,000	-200,000,000	10.00
1962.....	1,885,000,000	1,600,000,000	1,600,000,000	-285,000,000	15.12
1963.....	1,500,000,000	1,300,000,000	1,325,000,000	-175,000,000	11.67
1964.....	1,405,000,000	1,000,000,000	1,000,000,000	-405,000,000	28.83
Total.....	15,915,000,000	12,205,000,000	12,602,500,000	-3,312,500,000	20.81

All who have followed this program through the years will recall that, in the 9 years set forth above, the administration then in power has, without exception, reacted with horror at the mention of a significant cut in the budget estimates, and has predicted the direst consequences to our Nation and the free world if such action were to be taken by the Congress. Without exception, these nine budgets were cut. As is documented in the preceding material, there also were no exceptions to the fact that the amount appropriated by Congress proved to be excessive to actual needs. Congress has saved \$8 billion by not being taken in by the cries of "wolf." We do not intend to be taken in this year, and trust that will be the reaction of the majority of the Members of Congress.

We have history on our side. We have the current facts on our side.

OTTO E. PASSMAN.  
GEORGE W. ANDREWS.  
JOHN J. RHODES.  
GERALD R. FORD.  
WILLIAM E. MINSHALL.

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1964, AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1965**

**TITLE I—FOREIGN ASSISTANCE**

Item	Appropriations, 1964	Budget estimates, 1965	Recommended in bill for 1965	Bill compared with—	
				1964 appropriations	1965 estimates
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>					
<b>ECONOMIC ASSISTANCE</b>					
Development grants.....	\$155, 000, 000	<sup>1</sup> \$224, 600, 000	\$204, 600, 000	+\$49, 600, 000	—\$20, 000, 000
American schools and hospitals abroad....	14, 300, 000	<sup>2</sup> 18, 000, 000	18, 000, 000	+3, 700, 000	-----
American hospitals abroad (special foreign currency program).....	4, 700, 000	-----	-----	—4, 700, 000	-----
Surveys of investment opportunities.....	-----	2, 100, 000	2, 100, 000	+2, 100, 000	-----
International organizations and programs.....	116, 000, 000	<sup>3</sup> 134, 400, 000	134, 272, 400	+18, 272, 400	—127, 600
Supporting assistance.....	330, 000, 000	<sup>4</sup> 405, 000, 000	405, 000, 000	+75, 000, 000	-----
Contingency fund.....	50, 000, 000	150, 000, 000	150, 000, 000	+100, 000, 000	-----
Inter-American social and economic cooperation program.....	135, 000, 000	-----	-----	—135, 000, 000	-----

Alliance for Progress:					
Development grants-----	80,000,000	85,000,000	85,000,000	+5,000,000	-----
Development loans-----	375,000,000	465,000,000	425,000,000	+50,000,000	-40,000,000
Development loans-----	687,300,000	5 922,200,000	782,200,000	+94,900,000	-140,000,000
Administrative expenses, AID-----	50,000,000	6 52,500,000	52,500,000	+2,500,000	-----
Administrative expenses, State-----	2,700,000	2,900,000	2,900,000	+200,000	-----
Subtotal, economic assistance-----	2,000,000,000	2,461,700,000	2,261,572,400	+261,572,400	-200,127,600
MILITARY ASSISTANCE					
Military assistance-----	1,000,000,000	7 1,055,000,000	1,055,000,000	+55,000,000	-----
Limitation on administrative ex- penses-----	(24,000,000)	(23,500,000)	(23,500,000)	(-500,000)	-----
Total, title I, foreign assistance-----	3,000,000,000	3,516,700,000	3,316,572,400	+316,572,400	-200,127,600

<sup>1</sup> Reflects reduction of \$400,000 contained in H. Doc. 240.<sup>2</sup> Contains increase of \$6,000,000 contained in H. Doc. 285.<sup>3</sup> Reflects reduction of \$1,200,000 contained in H. Doc. 285.<sup>4</sup> Contains increase of \$70,000,000 contained in H. Doc. 305.<sup>5</sup> Reflects reduction of \$2,800,000 contained in H. Doc. 285.<sup>6</sup> Reflects reduction of \$2,000,000 contained in H. Doc. 285.<sup>7</sup> Contains increase of \$55,000,000 contained in H. Doc. 305.

See also H. Doc. 285.

*Comparative statement of appropriations for 1964, and estimates and amounts recommended in bill for 1965—Continued*

**TITLE II—FOREIGN ASSISTANCE (OTHER)**

Item	Appropriations, 1964	Budget estimates, 1965	Recommended in bill for 1965	Bill compared with—	
				1964 appropriations	1965 estimates
FUNDS APPROPRIATED TO THE PRESIDENT					
Peace Corps-----	\$92, 100, 000	<sup>1</sup> \$106, 100, 000	<sup>2</sup> \$87, 100, 000	—\$5, 000, 000	—\$19, 000, 000
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS					
Ryukyu Islands, Army, administration--	10, 000, 000	14, 441, 000	14, 441, 000	+ 4, 441, 000	-----
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Assistance to refugees in the United States-----	39, 717, 137	45, 400, 000	45, 400, 000	+ 5, 682, 863	-----
DEPARTMENT OF STATE					
Migrants and refugees-----	10, 550, 000	8, 200, 000	8, 200, 000	—2, 350, 000	-----
FUNDS APPROPRIATED TO THE PRESIDENT					
Inter-American Development Bank-----	50, 000, 000	205, 880, 000	205, 880, 000	+ 155, 880, 000	-----
International Development Association--	61, 656, 000	61, 656, 000	61, 656, 000	-----	-----
Total, title II, foreign assistance (other)-----	264, 023, 137	441, 677, 000	422, 677, 000	+ 158, 653, 863	—19, 000, 000

<sup>1</sup> Reflects reduction of \$50,000 contained in H. Doc. 240, and a further reduction of \$8,850,000 contained in H. Doc. 306.

<sup>2</sup> In addition an estimated \$17,000,000 in unobligated funds as of June 30, 1964, is reappropriated.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating expenses-----	(\$1,314,366,000)	(\$1,350,060,000)	(\$1,350,060,000)	(\$1,350,060,000)	-----
Limitation on administrative expenses---	(3,500,000)	<sup>1</sup> (3,781,000)	(3,781,000)	(3,781,000)	-----
Total, title III, Export-Import Bank-----	(1,317,866,000)	(1,353,841,000)	(1,353,841,000)	(1,353,841,000)	-----
Grand total, all titles-----	3,264,023,137	3,958,377,000	3,739,249,400	+475,226,263	<u>-----</u> <u>-----</u> -219,127,600

<sup>1</sup> Reflects reduction of \$44,000 contained in H. Doc. 240.

○



Union Calendar No. 667

88TH CONGRESS  
2D SESSION

# H. R. 11812

[Report No. 1518]

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IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 1964

Mr. GARY, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## A BILL

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That the following sums are appropriated, out of any money  
4        in the Treasury not otherwise appropriated, for the fiscal  
5        year ending June 30, 1965, namely:

## TITLE I—FOREIGN ASSISTANCE

## FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, as amended, to remain available until June 30, 1965, unless otherwise specified herein, as follows:

## ECONOMIC ASSISTANCE

Development grants: For expenses authorized by section 212, \$204,600,000.

American schools and hospitals abroad: For expenses authorized by section 214 (c) , \$18,000,000.

Surveys of investment opportunities: For expenses authorized by section 232, \$2,100,000.

International organizations and programs: For expenses authorized by section 302, \$134,272,400.

Supporting assistance: For expenses authorized by section 402, \$405,000,000.

Contingency fund: For expenses authorized by section 451 (a) , \$150,000,000.

Alliance for Progress, development grants: For expenses authorized by section 252, \$85,000,000.

Alliance for Progress, development loans: For assistance authorized by section 252, \$425,000,000, to remain available until expended.

Development loans: For expenses authorized by section 202 (a) , \$782,200,000, to remain available until expended:

1 *Provided*, That no part of this appropriation may be  
2 used to carry out the provisions of section 205 of the For-  
3 eign Assistance Act of 1961, as amended.

4       Administrative expenses: For expenses authorized by  
5 section 637 (a), \$52,500,000.

6       Administrative and other expenses: For expenses  
7 authorized by section 637 (b) of the Foreign Assistance Act  
8 of 1961, as amended, and by section 305 of the Mutual  
9 Defense Assistance Control Act of 1951, as amended.  
10 \$2,900,000.

11       Unobligated balances as of June 30, 1964, of funds  
12 heretofore made available under the authority of the Foreign  
13 Assistance Act of 1961, as amended, except as otherwise  
14 provided by law, are hereby continued available for the fiscal  
15 year 1965, for the same general purposes for which appro-  
16 priated and amounts certified pursuant to section 1311 of the  
17 Supplemental Appropriation Act, 1955, as having been  
18 obligated against appropriations heretofore made under the  
19 authority of the Mutual Security Act of 1954, as amended,  
20 and the Foreign Assistance Act of 1961, as amended, for  
21 the same general purpose as any of the subparagraphs under  
22 "Economic Assistance," are hereby continued available for  
23 the same period as the respective appropriations in such sub-  
24 paragraphs for the same general purpose: *Provided*, That  
25 such purpose relates to a project or program previously jus-

1   tified to Congress and the Committees on Appropriations of  
2   the House of Representatives and the Senate are notified  
3   prior to the reobligation of funds for such projects or  
4   programs.

5       Of the foregoing amounts for economic assistance,  
6   \$300,000,000 shall be available for obligation only through  
7   the apportionment review and approval procedure prescribed  
8   by law in such amounts and at such times as may be deter-  
9   mined by the President in the national interest that funds  
10  otherwise available for the purposes of programs under this  
11  title are insufficient to meet the cost of additional authorized  
12  projects.

#### 13                                   MILITARY ASSISTANCE

14       Military assistance: For expenses authorized by section  
15  504 (a) of the Foreign Assistance Act of 1961, as amended,  
16  including administrative expenses authorized by section  
17  636 (g) (1) of such Act, which shall not exceed \$23,500,-  
18  000 for the current fiscal year, and purchase of passenger  
19  motor vehicles for replacement only for use outside the United  
20  States: *Provided*, That none of the funds contained in this  
21  paragraph shall be available for the purchase of new auto-  
22  motive vehicles outside of the United States, \$1,055,000,-  
23  000.

#### 24                                   GENERAL PROVISIONS

25       SEC. 101. None of the funds herein appropriated  
26  (other than funds appropriated under the authorization for

1 “International organizations and programs”) shall be used  
2 to finance the construction of any new flood control, recla-  
3 mation, or other water or related land resource project or  
4 program which has not met the standards and criteria used  
5 in determining the feasibility of flood control, reclamation  
6 and other water and related land resource programs and  
7 projects proposed for construction within the United States  
8 of America as per memorandum of the President dated May  
9 15, 1962.

10 SEC. 102. Obligations made from funds herein appro-  
11 priated for engineering and architectural fees and services  
12 to any individual or group of engineering and architectural  
13 firms on any one project in excess of \$25,000 shall be re-  
14 ported to the Committees on Appropriations of the Senate  
15 and House of Representatives at least twice annually.

16 SEC. 103. Except for the appropriations entitled  
17 “Contingency fund” and “Development loans”, not more  
18 than 20 per centum of any appropriation item made avail-  
19 able by this title shall be obligated and/or reserved during  
20 the last month of availability.

21 SEC. 104. None of the funds herein appropriated nor  
22 any of the counterpart funds generated as a result of assist-  
23 ance hereunder or any prior Act shall be used to pay pen-  
24 sions, annuities, retirement pay or adjusted service com-  
25 pensation for any persons heretofore or hereafter serving  
26 in the armed forces of any recipient country.

1        SEC. 105. The Congress hereby reiterates its opposi-  
2        tion to the seating in the United Nations of the Communist  
3        China regime as the representative of China, and it is hereby  
4        declared to be the continuing sense of the Congress that the  
5        Communist regime in China has not demonstrated its will-  
6        ingness to fulfill the obligations contained in the Charter of  
7        the United Nations and should not be recognized to repre-  
8        sent China in the United Nations. In the event of the  
9        seating of representatives of the Chinese Communist regime  
10       in the Security Council or General Assembly of the United  
11       Nations the President is requested to inform the Congress  
12       insofar as is compatible with the requirements of national  
13       security, of the implications of this action upon the foreign  
14       policy of the United States and our foreign relationships,  
15       including that created by membership in the United Nations,  
16       together with any recommendations which he may have  
17       with respect to the matter.

18       SEC. 106. It is the sense of Congress that any attempt  
19       by foreign nations to create distinctions because of their  
20       race or religion among American citizens in the granting of  
21       personal or commercial access or any other rights otherwise  
22       available to United States citizens generally is repugnant  
23       to our principles; and in all negotiations between the United  
24       States and any foreign state arising as a result of funds

1 appropriated under this title these principles shall be applied  
2 as the President may determine.

3 SEC. 107. (a) No assistance shall be furnished under  
4 the Foreign Assistance Act of 1961, as amended, to any  
5 country which sells, furnishes, or permits any ships under  
6 its registry to carry to Cuba, so long as it is governed by the  
7 Castro regime, in addition to those items contained on the  
8 list maintained by the Administrator pursuant to title I of  
9 the Mutual Defense Assistance Control Act of 1951, as  
10 amended, any arms, ammunition, implements of war, atomic  
11 energy materials, or any other articles, materials, or sup-  
12 plies of primary strategic significance used in the production  
13 of arms, ammunition, and implements of war or of strategic  
14 significance to the conduct of war, including petroleum  
15 products.

16 (b) No economic assistance shall be furnished under  
17 the Foreign Assistance Act of 1961, as amended, to any  
18 country which sells, furnishes, or permits any ships under  
19 its registry to carry items of economic assistance to Cuba,  
20 so long as it is governed by the Castro regime, unless the  
21 President determines that the withholding of such assistance  
22 would be contrary to the national interest and reports such  
23 determination to the Foreign Relations and Appropriations  
24 Committees of the Senate and the Foreign Affairs and Ap-  
25 propriations Committees of the House of Representatives.

1 Reports made pursuant to this subsection shall be published  
2 in the Federal Register within seven days of submission to  
3 the committees and shall contain a statement by the Presi-  
4 dent of the reasons for such determination.

5 SEC. 108. Any obligation made from funds provided  
6 in this title for procurement outside the United States of any  
7 commodity in bulk and in excess of \$100,000 shall be re-  
8 ported to the Committees on Appropriations of the Senate  
9 and the House of Representatives at least twice annually:  
10 *Provided*, That each such report shall state the reasons for  
11 which the President determined, pursuant to criteria set  
12 forth in section 604 (a) of the Foreign Assistance Act of  
13 1961, as amended, that foreign procurement will not ad-  
14 versely affect the economy of the United States.

15 SEC. 109. (a) No assistance shall be furnished to any  
16 nation, whose government is based upon that theory of gov-  
17 ernment known as communism under the Foreign Assistance  
18 Act of 1961, as amended, for any arms, ammunition, imple-  
19 ments of war, atomic energy materials, or any articles, mate-  
20 rials, or supplies, such as petroleum, transportation materials  
21 of strategic value, and items of primary strategic significance  
22 used in the production of arms, ammunition, and implements  
23 of war, contained on the list maintained by the Administra-  
24 tor pursuant to title I of the Mutual Defense Assistance Con-  
25 trol Act of 1951, as amended.

1       (b) No economic assistance shall be furnished to any  
2 nation whose government is based upon that theory of gov-  
3 ernment known as communism under the Foreign Assistance  
4 Act of 1961, as amended (except section 214 (b) ), unless  
5 the President determines that the withholding of such assist-  
6 ance would be contrary to the national interest and reports  
7 such determination to the Foreign Affairs and Appropriations  
8 Committees of the House of Representatives and Foreign  
9 Relations and Appropriations Committees of the Senate.  
10 Reports made pursuant to this subsection shall be published  
11 in the Federal Register within seven days of submission to  
12 the committees and shall contain a statement by the Presi-  
13 dent of the reasons for such determination.

14       SEC. 110. None of the funds appropriated or made  
15 available pursuant to this Act for carrying out the Foreign  
16 Assistance Act of 1961, as amended, may be used for making  
17 payments on any contract for procurement to which the  
18 United States is a party entered into after the date of enact-  
19 ment of this Act which does not contain a provision author-  
20 izing the termination of such contract for the convenience  
21 of the United States.

22       SEC. 111. None of the funds appropriated or made  
23 available under this Act for carrying out the Foreign Assist-  
24 ance Act of 1961, as amended, may be used to make pay-

1 ments with respect to any contract for the performance of  
2 services outside the United States by United States citizens  
3 where such citizens have not been investigated for loyalty  
4 and security in the same manner and to the same extent  
5 as would apply if they were regularly employed by the  
6 United States.

7 SEC. 112. None of the funds appropriated or made  
8 available under this Act for carrying out the Foreign Assist-  
9 ance Act of 1961, as amended, may be used to make pay-  
10 ments with respect to any capital project financed by loans  
11 or grants from the United States where the United States has  
12 not directly approved the terms of the contracts and the firms  
13 to provide engineering, procurement, and construction serv-  
14 ices on such projects.

15 SEC. 113. Of the funds appropriated or made available  
16 pursuant to this Act not more than \$6,000,000 may be used  
17 during the fiscal year ending June 30, 1965, in carrying out  
18 section 241 of the Foreign Assistance Act of 1961, as  
19 amended.

20 SEC. 114. None of the funds appropriated or made  
21 available pursuant to this Act for carrying out the Foreign  
22 Assistance Act of 1961, as amended, may be used to pay in  
23 whole or in part any assessments, arrearages or dues of any  
24 member of the United Nations.

25 SEC. 115. Foreign currencies not to exceed \$200,-

1 000, made available for loans pursuant to section 104  
2 (e) of the Agricultural Trade Development and Assistance  
3 Act of 1954, as amended, shall be available during the cur-  
4 rent fiscal year for expenses incurred incident to such loans.

5 SEC. 116. None of the administrative expense or other  
6 funds herein appropriated shall be available in connection  
7 with the use of receipts of United States dollars, derived from  
8 loan repayments and interest collections in the Development  
9 Loan Fund and Alliance for Progress revolving funds.

10 SEC. 117. None of the funds made available by this  
11 Act for carrying out the Foreign Assistance Act of 1961,  
12 as amended, may be obligated on or after April 30, 1964,  
13 for financing, in whole or in part, the direct costs of any  
14 contract for the construction of facilities and installations  
15 in any underdeveloped country, unless the President shall,  
16 on or before such date, have promulgated regulations designed  
17 to assure, to the maximum extent consistent with the national  
18 interest and the avoidance of excessive costs to the United  
19 States, that none of the funds made available by this Act  
20 and thereafter obligated shall be used to finance the direct  
21 costs under such contracts for construction work performed  
22 by persons other than qualified nationals of the recipient  
23 country or qualified citizens of the United States: *Provided,*  
24 *however,* That the President may waive the application of  
25 this amendment if it is important to the national interest.

## 1 TITLE II—FOREIGN ASSISTANCE (OTHER)

## 2 FUNDS APPROPRIATED TO THE PRESIDENT

## 3 PEACE CORPS

4 For expenses necessary to enable the President to carry  
5 out the provisions of the Peace Corps Act (75 Stat. 612),  
6 as amended, including purchase of not to exceed five pas-  
7 senger motor vehicles for use outside the United States,  
8 \$87,100,000, together with not to exceed \$17,000,000 of  
9 funds previously appropriated which are hereby continued  
10 available for the fiscal year 1965, of which not to exceed  
11 \$20,500,000 shall be available for administration and pro-  
12 gram support costs.

## 13 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

## 14 RYUKYU ISLANDS, ARMY

## 15 ADMINISTRATION

16 For expenses, not otherwise provided for, necessary to  
17 meet the responsibilities and obligations of the United States  
18 in connection with the government of the Ryukyu Islands,  
19 as authorized by the Act of July 12, 1960 (74 Stat. 461),  
20 as amended (76 Stat. 742) ; services as authorized by section  
21 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of indi-  
22 viduals not to exceed ten in number; not to exceed \$4,000  
23 for contingencies for the High Commissioner, to be expended  
24 in his discretion; hire of passenger motor vehicles and air-  
25 craft; purchase of four passenger motor vehicles, for replace-

1 ment only; and construction, repair, and maintenance of  
2 buildings, utilities, facilities, and appurtenances; \$14,441,-  
3 000, of which not to exceed \$2,441,000 shall be avail-  
4 able for administrative and information expenses, and  
5 \$4,000,000 shall be available for transfer to the Ryukyu  
6 Domestic Water Corporation for construction of a por-  
7 tion of the integrated island water system: *Provided*,  
8 That expenditures from this appropriation may be made  
9 outside continental United States when necessary to carry  
10 out its purposes, without regard to sections 355 and 3648,  
11 Revised Statutes, as amended, section 4774 (d) of title 10,  
12 United States Code, civil service or classification laws, or  
13 provisions of law prohibiting payment of any person not a  
14 citizen of the United States: *Provided further*, That funds  
15 appropriated hereunder may be used, insofar as practicable,  
16 and under such rules and regulations as may be prescribed  
17 by the Secretary of the Army to pay ocean transportation  
18 charges from United States ports, including territorial ports,  
19 to ports in the Ryukyus for the movement of supplies  
20 donated to, or purchased by, United States voluntary non-  
21 profit relief agencies registered with and recommended by  
22 the Advisory Committee on Voluntary Foreign Aid or of  
23 relief packages consigned to individuals residing in such  
24 areas: *Provided further*, That the President may transfer to

1 any other department or agency any function or functions  
2 provided for under this appropriation, and there shall be  
3 transferred to any such department or agency, without reim-  
4 bursement and without regard to the appropriation from  
5 which procured, such property as the Director of the Bureau  
6 of the Budget shall determine to relate primarily to any  
7 function or functions so transferred.

8 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
9 ASSISTANCE TO REFUGEES IN THE UNITED STATES

10 For expenses necessary to carry out the provisions of  
11 the Migration and Refugee Assistance Act of 1962 (Public  
12 Law 87-510), relating to aid to refugees within the United  
13 States, including hire of passenger motor vehicles, and serv-  
14 ices as authorized by section 15 of the Act of August 2,  
15 1946 (5 U.S.C. 55a), \$45,400,000.

16 DEPARTMENT OF STATE

17 MIGRATION AND REFUGEE ASSISTANCE

18 For expenses, not otherwise provided for, necessary to  
19 enable the Secretary of State to provide assistance to refu-  
20 gees, as authorized by law, including contributions to the  
21 Intergovernmental Committee for European Migration and  
22 the United Nations High Commissioner for Refugees; sal-  
23 aries and expenses of personnel and dependents as authorized  
24 by the Foreign Service Act of 1946, as amended (22 U.S.C.  
25 801-1158) ; allowances as authorized by the Overseas Dif-  
26 ferentials and Allowances Act (5 U.S.C. 3031-3039) ; hire

1 of passenger motor vehicles; and services as authorized by  
2 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) ;  
3 \$8,200,000: *Provided*, That no funds herein appropriated  
4 shall be used to assist directly in the migration to any nation  
5 in the Western Hemisphere of any person not having a  
6 security clearance based on reasonable standards to insure  
7 against Communist infiltration in the Western Hemisphere.

8 FUNDS APPROPRIATED TO THE PRESIDENT

9 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

10 For subscriptions to the Inter-American Development  
11 Bank for the first installment on the increase in callable capi-  
12 tal stock \$205,880,000, to remain available until expended.

13 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT

14 ASSOCIATION

15 For payment of the fifth installment of the subscription  
16 of the United States to the International Development Asso-  
17 ciation, \$61,656,000, to remain available until expended.

18 TITLE III—EXPORT-IMPORT BANK OF

19 WASHINGTON

20 The Export-Import Bank of Washington is hereby  
21 authorized to make such expenditures within the limits of  
22 funds and borrowing authority available to such corporation,  
23 and in accord with law, and to make such contracts and  
24 commitments without regard to fiscal year limitations as pro-  
25 vided by section 104 of the Government Corporation Con-  
26 trol Act, as amended, as may be necessary in carrying out

1 the program set forth in the budget for the current fiscal year  
2 for such corporation, except as hereinafter provided:

3           LIMITATION ON OPERATING EXPENSES

4       Not to exceed \$1,350,060,000 (of which not to exceed  
5 \$944,000,000 shall be for long term project and equipment  
6 loans) shall be authorized during the current fiscal year for  
7 other than administrative expenses.

8           LIMITATION ON ADMINISTRATIVE EXPENSES

9       Not to exceed \$3,781,000 (to be computed on an ac-  
10 crual basis) shall be available during the current fiscal year  
11 for administrative expenses, including services as authorized  
12 by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a),  
13 at rates not to exceed \$75 per diem for individuals,  
14 and not to exceed \$9,000 for entertainment allowances for  
15 members of the Board of Directors: *Provided*, That (1)  
16 fees or dues to international organizations of credit institu-  
17 tions engaged in financing foreign trade, (2) necessary ex-  
18 penses (including special services performed on a contract  
19 or fee basis, but not including other personal services) in  
20 connection with the acquisition, operation, maintenance, im-  
21 provement, or disposition of any real or personal property  
22 belonging to the Bank or in which it has an interest, includ-  
23 ing expenses of collections of pledged collateral, or the in-  
24 vestigation or appraisal of any property in respect to which  
25 an application for a loan has been made, and (3) expenses

1 (other than internal expenses of the Bank) incurred in  
2 connection with the issuance and servicing of guarantees,  
3 insurance, and reinsurance, shall be considered as nonad-  
4 ministrative expenses for the purposes hereof.

5 None of the funds made available because of the pro-  
6 visions of this title shall be used by the Export-Import  
7 Bank to either guarantee the payment of any obligation  
8 hereafter incurred by any Communist country (as defined  
9 in section 620 (f) of the Foreign Assistance Act of 1961,  
10 as amended) or any agency or national thereof, or in any  
11 other way to participate in the extension of credit to any  
12 such country, agency, or national, in connection with the  
13 purchase of any product by such country, agency, or na-  
14 tional, except when the President determines that such  
15 guarantees would be in the national interest and reports  
16 each such determination to the House of Representatives  
17 and the Senate within 30 days after such determination.

#### 18 TITLE IV—GENERAL PROVISIONS

19 SEC. 401. No part of any appropriation contained in  
20 this Act shall be used for publicity or propaganda purposes  
21 within the United States not heretofore authorized by the  
22 Congress.

23 SEC. 402. None of the funds herein appropriated shall  
24 be used for expenses of the Inspector General, Foreign  
25 Assistance, after the expiration of the thirty-five day period  
26 which begins on the date the General Accounting Office

1 or any committee of the Congress, or any duly authorized  
2 subcommittee thereof, charged with considering foreign assist-  
3 ance legislation, appropriations, or expenditures, has deliv-  
4 ered to the Office of the Inspector General, Foreign Assist-  
5 ance, a written request that it be furnished any document,  
6 paper, communication, audit, review, finding, recommenda-  
7 tion, report, or other material in the custody or control of  
8 the Inspector General, Foreign Assistance, relating to any  
9 review, inspection, or audit arranged for, directed, or con-  
10 ducted by him, unless and until there has been furnished to  
11 the General Accounting Office or to such committee or  
12 subcommittee, as the case may be, (A) the document, paper,  
13 communication, audit, review, finding, recommendation,  
14 report, or other material so requested or (B) a certification  
15 by the President, personally, that he has forbidden the fur-  
16 nishing thereof pursuant to such request and his reason for  
17 so doing.

18 SEC. 403. No part of any appropriation contained in  
19 this Act shall be used to conduct or assist in conducting any  
20 program (including but not limited to the payment of  
21 salaries, administrative expenses, and the conduct of research  
22 activities) related directly or indirectly to the establishment  
23 of a national service corps or similar domestic peace corps  
24 type of program.

25 This Act may be cited as the "Foreign Assistance and  
26 Related Agencies Appropriation Act, 1965."



[Report No. 1518]

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**A BILL**

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Making appropriations for Foreign Assistance  
and related agencies for the fiscal year ending  
June 30, 1965, and for other purposes.

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By Mr. GARY

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JUNE 25, 1964

Committed to the Committee of the Whole House on  
the State of the Union and ordered to be printed



— H. R. 11812

(H. R. 11812)

# A BILL

For the purpose of providing for the establishment of a new college in the State of New Jersey, and for other purposes.

Enacted by the Senate and House of Representatives of the United States of America in Congress assembled, February 1, 1912.

June 27, 1964

to aerial applicators with respect to gasoline used by them in providing services to farmers in farming operations (p. 14762-3); and H. R. 7307, as reported, to amend the Internal Revenue Codes with respect to the apportionment of the depletion allowance between parties to contracts for the extraction of minerals or the severance of timber (p. 14764).

15. ALASKA RELIEF. The Interior and Insular Affairs Committee reported with amendment H. R. 11438, to provide assistance to Alaska for the reconstruction of areas damaged by the recent earthquake and seismic waves (H. Rept. 1521). p. 14787
16. APPROPRIATIONS. The Rules Committee reported a resolution waiving points of order on H. R. 11812, the foreign aid appropriation bill. p. 14787
17. WATER RESEARCH. The "Daily Digest" states that conferees agreed to file a report on S. 2, to establish water resources research centers at land-grant colleges and State universities. p. D525
18. WATERSHEDS. Received from the Budget Bureau plans for works of improvement on the following watersheds: p. 14787  
Marshyhope Creek, Del. and Md., Mill Creek, Ga., Turtle River, Ga., and Wellington-Napoleon, Mo.; to Agriculture Committee.  
Hiawassee River, Ga., Muddy Creek, Kans., Presque Isle Stream, Me., and West Fork Duck Creek, O.; to Public Works Committee.
19. TRAVEL; PERSONNEL. Received from GAO a report "on a review relating to disclosing that ineffective administration and control of travel advances and purchase of transportation for employees for travel expenses had been extended during periods in which the employees either did not travel or performed only limited travel." p. 14787
20. MEAT IMPORTS. Received a La. Legislature resolution urging the President and the Congress "to take immediate action to stop the importation of foreign meat into this country." p. 14788
21. MILITARY CONSTRUCTION. Disagreed to Senate amendment to H. R. 10300, to authorize certain construction at military installations and appointed conferees. Senate conferees have already been appointed. p. 14753
22. RESEARCH. Disagreed to Senate amendments to H. R. 4364, to provide for the free entry of one mass spectrometer for Oregon State University and one mass spectrometer for Wayne State University and appointed conferees. Senate conferees have not yet been appointed. p. 14756-7
23. FORESTRY. Passed as reported H. R. 9634, to authorize the Secretary of Defense to lend certain equipment and provide certain services to the Girl Scouts of America for the 1965 Senior Girl Scout roundup. p. 14758
24. FOREIGN AID. Rep. Mahon expressed pleasure that the foreign assistance estimated funds for fiscal 1965 are "the lowest in 9 years." p. 14768  
Rep. Passman inserted fact sheets and tabulations covering the foreign aid program for the past 9 years. pp. 14768-71
25. AREA REDEVELOPMENT. Received a letter from the Comptroller General, transmitting a report on an examination of the administration of the accelerated public works program by the Area Redevelopment Administration, Department of Commerce, and other Federal agencies, "revealing that grants of over \$21 mil-

lion had been made for 85 projects in areas which were no longer burdened by conditions of substantial unemployment at the time the grants were consummated; to Government Operations Committee. p. 14787

Reps. Widnall and Cramer discussed the GAO report and stated that "there is no indication whatsoever that the administration officials are willing to concede that the intent of Congress is being violated, much less put any simple reforms into practice." pp. 14776-80, 14784

Rep. Talcott criticized ARA programs and stated that Congress should investigate its purposes and real accomplishments. p. 14780

26. COFFEE. Rep. Derwinski criticized the International Coffee Agreement as being "foreign aid without congressional approval." pp. 14781-3

#### ITEMS IN APPENDIX

27. SALT. Extension of remarks of Rep. Dole commending the Salt Institute for its work in helping to develop new ways salt can be helpful to industry, in agriculture and in a broadening range of facets of everyday living. pp. A3527-8

28. COTTON. Extension of remarks of Rep. Beermann stating that "A great deal of the opposition to the cotton-wheat bill arose because some believed it would socialize the cotton industry," commenting on the resignation of Dr. Cochrane and inserting an article on the closing of the New Orleans Cotton Exchange. p. A3546

29. WILDERNESS. Rep. Reuss inserted an editorial endorsing the wilderness bill. pp. A3550-1

#### COMMITTEE HEARINGS:

June 30: Proposed Public Land Review Commission, S. Interior (Baker to testify).  
Forest land transfers in Lassen National Forest, Calif., and in Cocke Co., Tenn., H. Agriculture (Grover, FS, to testify).  
Agricultural appropriation bill, S. Appropriations.  
Poverty program, S. Labor and Public Welfare (exec).  
Civil rights bill, H. Rules.

July 1: Reimbursement for overtime for inspection services, H. Agriculture (Johnston, ARS, to testify).  
Released FHA rights in land in Pender Co., N. C., H. Agriculture (Allman, FHA, and Broderson, OGC, to testify).

WAIVING POINTS OF ORDER ON H.R. 11812

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JUNE 29, 1964.—Referred to the House Calendar and ordered to be printed

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Mr. COLMER, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 793]

The Committee on Rules, having had under consideration House Resolution 793, report the same to the House with the recommendation that the resolution do pass.

○



# H. RES. 793

[Report No. 1520]

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 1964

Mr. COLMER, from the Committee on Rules, reported the following resolution;  
which was referred to the House Calendar and order to be printed

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## RESOLUTION

- 1      *Resolved*, That during the consideration of the bill  
2      (H.R. 11812), making appropriations for Foreign Assist-  
3      ance and related agencies for the fiscal year ending June  
4      30, 1965, and for other purposes, all points of order against  
5      said bill are hereby waived.

## RESOLUTION

Providing for consideration of H.R. 11812, a bill making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

By Mr. COLMER

JUNE 29, 1964

Referred to the House Calendar and ordered to be printed





5. TAXATION. Both Houses agreed to the conference report on H. R. 11376, to provide a one-year extension of certain excise-tax rates. This bill will now be sent to the President. pp. 14926-31, 14955-6
6. TRANSPORTATION. By a vote of 47 to 36, agreed to the House amendment to S. 6, the proposed Urban Mass Transportation Act of 1964. This bill will now be sent to the President. pp. 14931-2, 14935-49
7. LANDS. Passed as reported S. 1509, to authorize reimbursement to owners and tenants of certain lands or interests therein acquired by the U. S. for certain moving expenses, losses, and damages. pp. 14949-50
8. RECLAMATION. Passed as reported S. 1123, to provide for construction of the lower Teton division of the Teton Basin project, Idaho. pp. 14950-2
9. NOMINATION. Received the nomination of John A. Schnittker to be a member of the CCC Board of Directors. p. 14953
10. APPROPRIATIONS. Sen. Johnston submitted an amendment intended to be proposed to H. R. 11202, the agricultural appropriation bill, to provide that after July 1, 1964, appropriations available for classing or grading cotton without charge to producers shall be available for providing micronaire readings on cotton without charge to producers and to authorize transfer of CCC funds for this purpose. p. 14885
11. ESTES INVESTIGATION. At the request of Sen. McClellan, the Government Operations Committee was granted an extension until Sept. 30, 1964, to file a report on the Bilie Sol Estes investigation. p. 14883
12. PERSONNEL. Sen. McCarthy commended the public service of Williard W. Cochrane, for Director of Agricultural Economics. pp. 14895-6  
Both Houses received from the State Department a proposed bill "to encourage and facilitate details and transfers of Federal employees for service with international organizations"; to H. Foreign Affairs and S. Foreign Relations Committees. pp. 14883, 15022
13. ELECTRIFICATION. Received from the Administrator of REA reports on the approval of a loan to the Colorado-Ute Electric Association, Inc., Montrose, Colo., for \$5,352,000 and a loan to the Golden Valley Electric Association, Inc., Fairbanks, Alaska, for \$18,930,000; to Appropriations Committee. p. 14883  
Sen. Lausche discussed and inserted several items on the development of nuclear power for civilian purposes. pp. 14889-92  
Sen. Jackson reviewed and inserted several items on the proposed plan for joint Government-industry development of an electric-power intertie between the Pacific Northwest and Southwest. pp. 14896-9

HOUSE

14. APPROPRIATIONS. Began debate on H. R. 11812, the foreign aid appropriation bill. Previously adopted by a vote of 222 to 162, a resolution waiving points of order on the bill. pp. 14959-96
15. CIVIL RIGHTS. The Rules Committee reported a resolution to concur in the Senate amendments to H. R. 7152, the civil rights bill. p. 14996

16. TRAVEL; PERSONNEL. The Rules Committee reported without amendment H. Res. 792, to grant additional travel authority to the Agriculture Committee (H. Rept. 1528). p. 14996
17. FARM LABOR. Rep. Talcott inserted a letter from the City Council of King City, Calif., discussing farm labor problems and urging the delaying of the elimination of braceros. pp. 15007-8
18. FOREIGN TRADE. Rep. Udall stated that he does not "endorse sweeping changes in the Trade Expansion Act" but joins "in the expression of concern that tariff negotiations proceed with caution...and attention to the interests of America's producers as well as its consumers." p. 15011
19. MUSHROOM INDUSTRY. Received a Pa. State Legislature memorial urging action to protect the declining domestic mushroom industry. p. 15024
20. FOREST LANDS. A subcommittee of the Agriculture Committee voted to report to the full committee H. R. 10069, to authorize exchange of lands adjacent to the Lassen National Forest, Calif., and S. 2218, to authorize the Secretary of the Interior to accept certain national forest lands in Cocke County, Tenn. p. D530
21. ELECTRIFICATION. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) H. R. 9752, with amendment, to preserve the jurisdiction of the Congress over construction of hydroelectric projects on the Colorado River. p. D531
22. CONTAINERS. The Interstate and Foreign Commerce Committee voted to report (but did not actually report ) H. R. 5673, with amendment, the proposed Steel Shipping Container Identification Act. p. D531
23. WATER RESEARCH. Received the conference report on S. 2, the proposed "Water Resources Research Act of 1964" (H. Rept. 1526). Authorizes appropriations rising to \$100,000 annually to assist each State in establishing a water research agency, generally the land-grant college. Authorizes appropriations to the Interior Department of \$1,000,000 for 1965, rising to \$5,000,000 for 1969 and succeeding years, to aid these agencies on a dollar-for-dollar matching basis. Authorizes appropriation of \$1,000,000 annually for 10 years to Interior to assist other educational institutions in water research, subject to veto by the Interior and Insular Affairs Committees. Requires Interior to obtain advice and cooperation from other Federal water agencies and not to duplicate their work. Provides for a Government-wide center to catalog current and projected water-resources research. Requires the President to coordinate water-research programs. pp. 14997-8

#### ITEMS IN APPENDIX

24. FEDERAL-STATE RELATIONS. Extension of remarks of Sen. Mundt inserting an article written by Idaho Gov. Smylie "pointing up some problems of the smaller States in their contemporary relationships with the Federal Government, ...and urging that States be given a greater voice in the coordinated planning of Federal-State-local cooperative programs." pp. A355-7
25. ELECTRICICATION; POVERTY. Extension of remarks of Rep. Saylor suggesting ways to aid the Appalachian area by restricting residual oil imports, reject further proposals to build uneconomic hydroelectric plants and stop Federal subsidies for atomic electric power. pp. A 3568-9

St. Augustine as the oldest continuous settlement in what is now the United States. Mendoza, the priest companion of Menendez sums up the reason for the Spaniard's success by the comment that "he was a friend of his own opinion." He was truly persistent and of unshakable self-confidence.

The conquering of the French in Florida was marked by the martyrdom of Capt. Jean Ribault, a late arrival at Fort Caroline and an erstwhile friend of Queen Elizabeth of England. He met his death at the hand of Menendez when he refused to recant his independent religious beliefs to save himself from execution.

This settlement of Florida 400 years ago was not only significant because it began our permanent settlement; but also because it was the first settlement of men and women to come to our country for religious freedom. Mr. Speaker, these little known facts of our ancient past should inspire us in our day to do better. It is a time for forbearance.

### CIVIL RIGHTS

(Mr. DORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORN. Mr. Speaker, the greatest civil rights bill ever written for all our people is the Bill of Rights, the first 10 amendments to the Constitution. The civil rights bill now being rushed through the Congress subverts the Bill of Rights. The Bill of Rights guarantees trial by jury, property rights, peaceful assembly, and protects our homes and business from unwarranted search and seizure. This so-called civil rights bill would limit and curtail the Bill of Rights. This bill is the opposite of the Bill of Rights.

The passage of this civil rights bill will whet the appetite of the power-mad pressure groups for more such legislation. It will create more violence, demonstrations, and disrespect for law and order. It will sponsor invasions and phony crusades in some States and sections of the Nation.

Mr. Speaker, I hope by some miracle political expediency will be postponed and constitutional government preserved by this civil rights bill being rejected.

### COMMENTS ON MINORITY VIEWS OF FOREIGN ASSISTANCE PROGRAM

(Mr. CONTE asked and was given permission to address the House for 1 minute.)

Mr. CONTE. Mr. Speaker, as we prepare to enter into the annual debate over the foreign aid program and the appropriations which are so essential to the strength of this Nation and our humanitarian commitments around the world, I would like to call some relevant material to the attention of my distinguished colleagues.

I refer to a series of statements made in the form of a rebuttal to the minority views, as contained in the committee report.

These statements should be read by every Member of the House. They offer convincing proof that there are a great many misconceptions regarding the tone and content of the foreign assistance program.

The rebuttals show, for example, the actual number of foreign aid projects being financed, the number of the people on the foreign aid payroll, and a number of other precise facts. These rebuttals indicate that many who oppose the program do so on the basis of hearsay.

The material will be included in the course of my speech this afternoon, and I hope and trust that every Member of the House will consider these facts. I am certain that the rebuttals to the minority views, together with the material presented during the debate by the supporters of this program, will prove sufficient momentum to pass the bill. I look forward to that debate and the prospect of passage of the appropriations without further cuts.

### CALL OF THE HOUSE

Mr. WAGGONER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BARRETT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 172]

Arends	Kee	Powell
Ashley	Kilbarn	Purcell
Avery	Landrum	Rains
Bass	Lankford	Rivers, S.C.
Bennett, Mich.	Lesinski	Roberts, Tex.
Brown, Calif.	Lloyd	Robison
Buckley	Long, La.	Rogers, Tex.
Celler	McDowell	Senner
Dent	Macdonald	Sheppard
Deryniski	Madden	Staggers
Dingell	Mailliard	Teague, Tex.
Evins	Michel	Thompson, La.
Glenn	Miller, N.Y.	Thompson, N.J.
Gray	Morrison	Toll
Gubser	Morton	Tollefson
Hansen	Murphy, N.Y.	Tuten
Harding	Nelsen	Van Deeren
Harsha	Norblad	Wallhauser
Healey	O'Hara, Mich.	Wilson, Bob
Hébert	Patman	Wilson,
Hoffman	Pepper	Charles H.
Hosmer	Pilcher	
Jones, Ala.	Pirnie	

The SPEAKER. On this rollcall, 364 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1965

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 793 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That during the consideration of the bill (H.R. 11812), making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes, all points of order against said bill are hereby waived.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH]; and pending that, I yield myself such time as I may consume.

(Mr. COLMER asked and was given permission to proceed out of order.)

Mr. COLMER. Mr. Speaker, I took this time and asked for this procedure in order that I might advise the House about what is going on in the House Rules Committee today. I think that the House is entitled to know what is going on there, and I think the House is entitled to know what is being done to the House and to the orderly procedure of the legislative process.

Mr. Speaker, civil rights bills have been around this Capitol for several years. This particular bill has been around here for about a year. After the bill was railroaded—and I know of no better term—out of the House Committee on the Judiciary, passed the House and went over to the other body it was kept over there for some 3 months. There that bill was almost completely rewritten. It came back here with some 80 or 90 amendments. Whereupon the distinguished chairman of the Committee on the Judiciary, the gentleman from New York [Mr. CELLER], arose in this House and asked unanimous consent to take from the Speaker's table this rewritten bill with some 80 or 90 changes and pass it without any debate or consideration. Objection was made and the bill went to the Committee on Rules, whereupon the gentleman from New York [Mr. CELLER] then filed a resolution that was referred to the Committee on Rules designed to do what he had failed to do, and which I circumvented him from doing in the House, and that is to take the bill from the Speaker's table and pass it without any amendments and with only 1 hour of consideration.

Now, follow me, if you will. What they propose to do is to get a rule to take this bill from the Speaker's table and bring it down here to the floor of the House in the next few days, without even a member of the Committee on the Judiciary or even one of the great liberals who has teamed up as a coalition to pass this bill, the gentleman from Ohio [Mr. McCULLOCH] with the gentleman from New York [Mr. CELLER], will not have an opportunity to discuss or explain this bill in that limited time, unless it be through the graciousness of whoever happens to be handling the 30 minutes on the Democratic side and the 30 minutes on the Republican side.

Mr. Speaker, I make the statement here now, and no one can successfully challenge it, that there is not one-half of 1 percent of this great legislative body, the House of Representatives, who knows what is in that bill now that we are asked to report a rule out here and to ram it down their throats; and they will not know what is in it when they are called upon to vote on it, possibly tomorrow.

Mr. Speaker, if that is orderly procedure, if that is good legislative process; all right, go ahead and handle it that way. However, I imagine some of the Members of the House when they get

back home are going to be asked what is in that bill. I wonder if they are going to be able to answer that question.

Why, Mr. Speaker, one of the members of the Committee on Rules who was so anxious to get this bill out to the floor said this morning:

Why, it has been in the press. There have been all kinds of stories written about what the Senate did.

In other words, Mr. Speaker, he said we should legislate based upon what the reporters in the Press Gallery say about this bill. Is that the way to legislate or is it not?

All right, the skids are greased. They propose to bring this bill out today of the Committee on Rules and then make you take it.

The question was asked this morning when we were in session up there of both these able leaders of the Committee on the Judiciary, the gentleman from Ohio [Mr. McCulloch] and the great leader from New York [Mr. Celler]:

Would you object to lengthening the time a little bit here, say, for another hour or 2 hours?

Why, I understand we are going to debate this foreign aid appropriation bill here for 6 hours. Yet we are told that we cannot debate this bill, the so-called civil rights bill, with all of these changes, for more than an hour.

Both of them said no, they would not agree to any extension of time.

I ask you, why the rush? The leadership on both sides, as well as the White House, the NAACP and everybody that is back of this thing, says that we have to pass it, we are going to pass it. All right. Assume that to be true. Then why not give it decent consideration?

Apparently there is some politics involved in this thing. Some people have even been so brutal as to say it is political. I want to talk in language that maybe the membership understands. I think there are some things that ought to be said. A lot of people in both parties who think they are going to make political hay out of this thing are going to be disappointed. There are some people over on my left, my good Republican friends who think there is still some hay to be harvested from this political monstrosity. Frankly, I am interested in that. I want to see a strong Republican Party in this country, I want to see a strong opposition party. I believe that it is in the interest of the country to have a strong opposition party. But I want to say to my friends you have been going down the line chasing this elusive rainbow of the minority colored bloc vote for some time; and in every election you have been losing more, more and more. There is a process of erosion going on, and you are not going to get anything out of this either.

I wonder how many of my Republican friends saw the headline the other day when the NAACP had its convention down here? They came out with a resolution which they adopted unanimously opposing the nomination of the man whom all of the press said is going to be the Republican nominee, Senator Goldwater. They went on record unani-

mously as opposed to his election. Yet there are some Republicans who think there is some political hay in this thing for them.

As one who usually calls his shots as he sees them, let me say this to my Republican friends: Take it or leave it, or take it for what it is. You have one chance, and one chance alone, to come back into power, and be a major political factor in these United States, and that is to follow the leadership of your front runner, the man who all agree is going to be nominated, make an issue of conservatism and liberalism, and give the people a choice. I know some of you would like to applaud that, but it would not be a smart thing to do at this time.

How many votes are you going to get out of the minority bloc vote as a result of the passage of this, the greatest of all legislative evils and assaults upon the Constitution of the United States? How many are you going to get?

Do you really believe that this legislative rape of the Constitution is going to be as popular in November as it was in June?

Do you really believe, after all of these demonstrations and violations of State laws that Republican votes are going to be enhanced? You are not going to get any, and you know it if you are realistic. So why not meet the issue? Why not vote against this thing when it comes down here? Oh, there are so many grounds you could vote against it on. You could vote against it like your leader Senator Goldwater, a man for whom I have a great admiration, upon principle. You could vote against it because you resent, as you rightly should, the leadership movement, the combined leadership movement to ram this thing down your throat without knowing what is in it. I prefer to vote against it on principle.

Let me say to you the people of this country are entitled to a choice. If the so-called moderates in your party have their way they are not going to get it, and you know that is true.

So much for my good friends over there on the Republican side. I want to appeal to my friends on the Democratic side. I admit that the politics in this is on your side, there is no question about that. You are the ones who are going to reap the profit, if there be any profit, as the result of the passage of this iniquitous piece of legislation. But you know, I am not so sure that you are going to profit as much as you think you are.

When a "carpetbagger"—and I use the word advisedly—can go north into some of your districts, carpetbag in reverse, and get some 30- to 40-odd percent of the votes, with the combined opposition of all of the leaders of the parties and the misguided people, and so forth, with all the forces of the White House lined against them, I tell you it is significant, is it not? Does it not mean something that under all of those odds this fine, crusading young Governor of Alabama could go up there in that role and get that kind of vote?

Mr. ANDREWS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I have to yield to my friend because I referred to his Governor.

Mr. ANDREWS of Alabama. I am sure my friend did not intimate that my Governor is a carpetbagger. To get the record straight, he is a great American, and he has done a wonderful job fighting for the cause of constitutional government. I am sure the gentleman will agree with me when I make that statement.

Mr. COLMER. I am so sorry that my friend from Alabama finds it necessary or even advisable to raise the question whether I cast any aspersions upon the great Governor of Alabama. I certainly did not. I certainly had no such intention. I repeat, I am a great admirer of this crusading young man from Alabama, as the gentleman from Alabama himself is. I merely say that he was cast in the role of a carpetbagger in reverse, and under those odds received that kind of vote.

If I have to explain that any further, let me say this: Suppose the gentleman from New York, Mr. JAVITS, would come down into Alabama or into any other Southern State, crusading for this civil rights bill.

Do you think he could get 33 1/3 or 40 percent of the vote? Certainly not.

Now what I am trying to say to you is that I think if I were you, I would give a little consideration to this matter. I would give some consideration to it on the question of its merit. I would give some consideration to it from the political standpoint. Because it may not be as popular as you think it is.

You are going to have an opportunity here to pass on this question again. I hope you will vote against the bill this time.

Mr. TUCK. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman, a great and distinguished legislator and former Governor of the magnificent State of Virginia.

Mr. TUCK. I have not been a Member of the House of Representatives long enough, although I have served here a little more than 11 years, to join in any criticism of the leadership of either party in the House of Representatives. But I do want to say to the gentleman from Mississippi that I was in the Committee on Rules this morning and like himself I deplore the situation which exists with reference to this bill and I regret that this body composed of Representatives of the people from all the States of the Union cannot find time to give study to this bill and to the new amendments that have been added to it in the U.S. Senate.

I wondered this morning as I sat there, really disturbed and really shocked at the complacency with which my distinguished colleagues could discuss such a horrendous piece of legislation so destructive of the rights of people everywhere. I wondered why there was such haste. Finally, someone mentioned that the reason for the haste was that they wanted to sign this bill into law on the 4th day of July. Well, I certainly hope

that if we should pass this bill between now and then that no one will consider it advisable to desecrate our freedom day, our liberty day, by signing such a piece of legislation into law on the 4th day of July. It would serve to demean and denigrate the memory of that great Virginian and American, Thomas Jefferson, who believed in the diffusion of power among the States and among the localities and among the people and who was opposed to the strong centralization of power in Washington. I am certain that if such a thing were done on that day which meant so much to him that it would detract from that memory of him amongst our people to which he is so richly entitled.

I do not claim to be a historian. I have only a superficial knowledge of history, even of the history of this great country. But I have read and studied something about Thomas Jefferson because of the fact that he was a native of Virginia and served as the second Governor of our Commonwealth. I have read the books on Jefferson in power by that great Indiana historian, Claude G. Bowers. I have also read Jefferson and Hamilton by the same distinguished and learned author. I have read about Jefferson in many other treatises, and certainly the impression I have gotten from such reading and study would be that Jefferson would be opposed to this centralization of power in Washington which is contained in this monstrous piece of legislation which is about to be foisted upon the people of the country today. I can say too, in conclusion, that Jefferson, after he had served as ambassador plenipotentiary to several of the larger countries in the world and had served as Vice President of the United States and for 8 years as President of the United States and had guided the destiny of this Nation for 16 additional years, before he died he wrote his own epitaph.

The first thing he wished to be remembered for was that he was the author of the Declaration of Independence, which was signed on the 4th day of July. Another thing was that he was the author of the Virginia statute of religious freedom. Another was that he was the founder of the University of Virginia, an institution of learning.

I hope that someone somewhere, if this monstrous bill should be enacted into law between now and the 4th of July, will have the good taste to select some other day for it to be signed into law. God knows I cannot think of any appropriate day, but I know that the 4th of July is not a good day for such a purpose. I certainly hope it will not be done on the 4th of July.

In my declining years, as comes to those of us who pass threescore years and ten, as we walk wearily under the burden of years, I want my conscience to be soothed by the knowledge that I have protested vigorously and I have done everything within my feeble power to prevent the enactment of such legislation as this. I resent the enactment into law of such a bill as this on July 4, a patriotic day.

I thank you, sir.

Mr. COLMER. I thank my good friend for his splendid contribution.

Mr. Speaker, I took this time because, although I am a member of the Rules Committee, I recognized this would be the only opportunity I would have. It is the only opportunity all Members will have to hear someone explain the procedure through which it is proposed to ram this bill down the throats of the people of the country. I merely wanted those of you who will not have the opportunity to speak to know what is going on.

Mr. Speaker, on June 19, 1963, when the late President Kennedy sent the civil rights message to the Congress, I issued a statement on what might be expected. Although more than a year has elapsed since that statement was issued, I think it was pertinent then and I think it applies today. I also think that it will prove to be prophetic. For that reason I have submitted it herewith for the RECORD and for future events to disclose whether or not it was prophetic.

I am confident that most Members of both the North and the South, Democrats and Republicans, would prefer to have no part of it. But the power of the Presidency, the Justice Department, and the Negro bloc-vote appeal are powerful weapons.

The administration has created a "Frankenstein" and is now hollering "wolf." In fact, those responsible for the present racial unrest are even appealing to their pet whipping-boy, the South, and their traditional enemy, the Republicans, to bail them out.

We are told that we are faced with a revolution. What politicians, do-gooders and radical Negro leaders refuse to recognize is that the racial problem is one of evolution and not of revolution.

The Negro race has made the greatest progress in this country that any race has ever made in a similar period of time. This has been accomplished under the guiding and helping hand of his white brother, particularly his southern white brother. He cannot be brought up overnight on a plane with the white race which has had the benefit of civilization, Christianity and education for more than 2,000 years. He must trod the same slow path which has characterized the advancement of the white race.

There are already ample and adequate laws on the books to protect the rights of all minority groups. No amount of appeasement, no law or no court decree can or will solve the problem.

The President's proposals are more far-reaching than his stated objective of equal rights for Negroes. The racial angle is but one facet of the evils proposed. These new civil wrongs advocated by the administration strike at the very foundation stones of our system of constitutional government.

The enactment of the President's recommendations can only result in:

1. The further tragic breakdown of good relations between the races.
2. A step-up in more and more demands by the Negro agitators.
3. More regimentation of the American people by a strong centralized Federal Government, with the resultant deprivations of the liberties of all American citizens.
4. A further significant, if not fatal, assault upon the free enterprise system and the death-knell of State sovereignty.
5. The end of the one-party system in the South.

These unwise and unconstitutional requests, with all of their dangerous implications, should be recognized by all Americans for what they are. They are purely political

and should be treated as such. They are reminiscent of Reconstruction days when the prostrated people of the South were governed by the carpetbaggers and the bayonet.

"While this is a national problem, our southern Representatives in both the House and the Senate should take the lead in opposing these new and drastic assaults upon constitutional government as envisioned by the Founding Fathers. Because of recent incidents in other sections of the country, it is possible that help may come from these sources. The South is historically the defender of States rights and sovereignty. It is also the greatest potential political minority in the country. Its Representatives in the Congress must make this final effort to close the ranks and, oblivious to party alignment and self-aggrandizement, say like the Spartans of old 'They shall not pass.'"

Mr. Speaker, I reserve the remainder of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, we are actually at this time considering House Resolution 793, which resolution, from the Rules Committee, relates to the foreign aid appropriation bill and would waive all points of order in regard to H.R. 11812, the foreign aid appropriation bill.

I wish to say at the outset, Mr. Speaker, I personally am opposed to this particular rule, even though I am presenting it for the minority side of the House.

This is the third time this year the Rules Committee has been asked to waive points of order. As to each of the previous bills, I was in agreement with the waiver of points of order for the reasons stated at those particular times. I believe the bills were the military construction bill and the public works bill.

This is the last appropriation bill, I believe the 12th, and it is the desire of all of us to pass the appropriation bills and get them over to the other side of the Capitol.

When this measure was presented to the Rules Committee it was my understanding that a request was made of our committee to waive points of order due to the fact that the foreign aid authorization bill had not been signed into law. None of us had any objection to waiving points of order so far as that particular reason was concerned. As a matter of fact, when we first went into executive session the decision of the Rules Committee was that we would waive points of order regarding the authorization, so that the appropriation bill could be considered legally by the House of Representatives.

The chairman of the committee, the honorable gentleman from Virginia [Mr. SMITH] agreed to prepare, with the Parliamentarian, the necessary rule.

Later in the day we were informed that apparently this could not be done, so we walked up the hill and we walked down again, and we went back into the committee at 5 o'clock in the afternoon and waived all points of order.

It is my understanding that there is some language in this bill which is subject to a point of order.

If we are to have rules, Mr. Speaker, it seems to me we should abide by them.

I have no objection whatsoever—neither do the five Members on the minority side—to waiving the point of order on the authorization, so that the appropriation bill can be considered.

I will say, too, that all five of us on the minority side oppose waiving completely all points of order on a bill as important as this foreign aid bill is.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Michigan.

Mr. FORD. I wish to indicate my support for his position. As a matter of fact, I would have preferred that no rule be granted, but if we were to have a rule, we should have had the kind of rule described by the gentleman from California. We should not have gone as far as we have in the rule before us.

Mr. SMITH of California. I appreciate the gentleman's remarks.

Mr. ROONEY of New York. Mr. Speaker, will the distinguished gentleman yield?

Mr. SMITH of California. Yes. I yield to the gentleman from New York.

Mr. ROONEY of New York. Does not the gentleman realize that because of the fact that there is no law authorizing these appropriations at the present time, this rule waiving points of order is merely a gimmick and used in order to get you folks to the Republican Convention so that you can nominate BARRY GOLDWATER?

Mr. SMITH of California. I would say to the distinguished gentleman from New York that that is not my understanding. We were here last year until Christmas, I will say to the gentleman, and I was up in the Rules Committee until 3:30 in the morning on this foreign aid appropriation bill. I do not think the way this rule is passed has anything to do with the convention. We are perfectly willing, as I say, to go ahead and expedite waiving the authorization, but there is language in here that I do not think the gentleman from New York would agree we should waive points of order on. I know you have never asked us to do that on any of your appropriation bills.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I am happy to yield to the gentleman from Virginia.

Mr. GARY. So far as I know, there is absolutely nothing new in this bill that would be subject to a point of order with the exception of one paragraph. I do not believe that the House would object to waiving a point of order on that paragraph. If the gentleman will permit me, I will just read that paragraph.

Mr. GROSS. If the gentleman from California will yield for that purpose, I will cite to the gentleman from Virginia [Mr. GARY] the paragraph in the bill. It is on page 4, beginning on line 5.

Mr. GARY. The gentleman is right. It reads:

Of the foregoing amounts for economic assistance, \$300,000,000 shall be available for obligation only through the apportionment review and approval procedure prescribed by law in such amounts and at such times as

may be determined by the President in the national interest that funds otherwise available for the purposes of programs under this title are insufficient to meet the cost of additional authorized projects.

All that language does is to reserve \$300 million of the amount in this bill which can only be used if the President certifies that it is in the national interest. The purpose of the section is to save money, and to put this amount aside and not permit it to be apportioned as the law requires the rest of the bill to be apportioned. This is an effort to save some of the money in this bill, and so far as I know, that is the only item in this entire bill subject to a point of order.

Mr. SMITH of California. My understanding is that was one of the points of language subject to a point of order. Although I only know what I am told on matters presented, I was informed the language might be questionable and subject to a point of order in some regard to the United Nations language in the bill. That is what I was told.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Iowa.

Mr. GROSS. Of course, if the gentleman believes that only the language he has read is subject to a point of order, why did he not ask for a rule that would exempt that specific language? Why did you insist upon a rule that waives points of order on the entire bill? The gentleman knows, and I am sure he knows, that there are other items in this bill subject to a point of order. If he does not know that, he had better study his own bill.

Mr. GARY. If the gentleman will yield for just a moment—

Mr. GROSS. The gentleman in the well of the House has the time.

Mr. GARY. I have not admitted that the language is subject to a point of order, and I do not think it is, but I said, so far as I know, it is the only provision against which a point of order might lie.

I am told that there are one or two other provisions that might be subject to a point of order but the paragraph under discussion is the only new language that was put in the bill.

Mr. GROSS. You need no waiver of points of order if you do not have language in the bill that is subject to a point of order; the gentleman knows that. You were before the Rules Committee and asked for a waiver of points of order on the entire bill.

Mr. Speaker, I want to associate myself with the gentleman from California [Mr. SMITH], in the statement he has made in opposition to the rule. I, too, appeared before the Committee on Rules, as the gentleman well knows, and appealed to the committee to present a rule waiving points of order only on the basis of the authorization bill, providing the right to call up this bill. All other language in the bill then would have been subject to a point of order. That was fair. Presumably that was what members of the Appropriations Committee wanted when they went to the Committee on Rules, which thereupon held two meetings. They marched

up the hill shortly after noon and by 5 o'clock in the afternoon they marched down the hill again, apparently appeasing the Democrat leadership of the House.

Mr. Speaker, is it becoming fashionable around here to go to the Committee on Rules to set aside the rules of the House? Is this to be the fashion in the future? If it is, then some of us around here will have to resort to every known device to throw roadblocks in the way of the leadership. That is what we will have to do if this is what we are going to have to contend with in appropriation bills, giving the right to the Committee on Appropriations to write legislation. And that is what you will do if you adopt this rule.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Missouri.

Mr. CURTIS. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from California [Mr. SMITH] and, I might add, also with the remarks of the gentleman from Iowa [Mr. GROSS]. This action today seems to be part of the basic theory expressed by the majority leader, the gentleman from Oklahoma [Mr. ALBERT], previously this year, at the time the rules of the House were waived, when he said that the majority has the right to work its will. I made the point that the majority has the right to work its will only through following procedures which enable this body to be a deliberative body.

If it is simply a matter of having the majority work its will then, of course, you can do by majority vote what you wish on this rule, or any rule waiving in effect the rules of the House which have been carefully devised over a period of many years so that the subject can be orderly debated. The rules of procedure are the base for representative government.

I suggest that this continuing use on the part of the majority, or abuse I would say, by majority vote to disregard the rules that have been written for the Congress for a specific purpose, and have proved themselves over a period of years to be necessary in order that his may be a deliberative body, should be halted. The rules of the House are being disregarded. The majority is, in effect, eating at the very basis of representative government.

Mr. Speaker, I thank the gentleman for yielding.

Mr. ALBERT. Mr. Speaker, will the gentleman yield to me?

Mr. SMITH of California. I yield to the majority leader.

Mr. ALBERT. Mr. Speaker, I respect the views of the distinguished gentleman from Missouri [Mr. CURTIS]. But the only reason we have a Committee on Rules is to bring out special rules instead of using the general rules of the House. And that is a complete answer to what he has said, in my opinion.

Mr. SMITH of California. Mr. Speaker, I reserve the balance of my time.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the "ayes" appeared to have it.

Mr. CURTIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 222, nays 162, not voting 47, as follows:

[Roll No. 173]

YEAS—222

Addabbo	Grabowski	Olsen, Mont.
Albert	Green, Oreg.	Olson, Minn.
Andrews, Ala.	Green, Pa.	O'Neill
Ashley	Griffiths	Osmer
Aspinall	Hagen, Calif.	Patman
Ayres	Halleck	Patten
Bates	Halpern	Pepper
Beckworth	Hanna	Perkins
Bennett, Fla.	Hansen	Philbin
Blatnik	Harding	Pickle
Boggs	Harvey, Mich.	Pike
Boland	Hawkins	Pirnie
Bolling	Hays	Poage
Brademas	Healey	Poff
Brooks	Hechler	Price
Broomfield	Herlong	Pucinski
Brown, Calif.	Holifield	Randall
Burke	Holland	Reid, N.Y.
Burkhalter	Horton	Rcuss
Burleson	Hosmer	Rhodes, Pa.
Burton, Calif.	Huddleston	Riehlman
Byrne, Pa.	Hull	Rivers, Alaska
Cahill	Jarman	Roberts, Ala.
Cameron	Jennings	Roberts, Tex.
Carey	Joelson	Rodino
Casey	Johnson, Wis.	Rogers, Colo.
Chelf	Jones, Mo.	Rooney, N.Y.
Clark	Karsten	Rooney, Pa.
Cohelan	Karth	Roosevelt
Conte	Kastenmeier	Rosenthal
Cooley	Keith	Rostenkowski
Corman	Kelly	Roush
Daddario	Keogh	Roybal
Daniels	Kilgore	Ryan, Mich.
Davis, Ga.	King, Calif.	Ryan, N.Y.
Davis, Tenn.	Kirwan	St Germain
Dawson	Kluczynski	St. Onge
Delaney	Kornegay	Schwengel
Dent	Landrum	Selden
Denton	Leggett	Shipley
Diggs	Libonati	Sibal
Donohue	Lindsay	Sickles
Downing	Long, Md.	Sikes
Dulski	McDowell	Sisk
Duncan	McFall	Slack
Dwyer	Madden	Smith, Iowa
Edmondson	Mahon	Springer
Edwards	Mailliard	Staeble
Elliott	Marsh	Stafford
Everett	Martin, Mass.	Steed
Fallon	Mathias	Stephens
Farbstein	Matsunaga	Stratton
Fascell	Matthews	Stubblefield
Feighan	Meador	Sullivan
Finnegan	Miller, Calif.	Teague, Tex.
Fino	Mills	Thomas
Flood	Minish	Thompson, Tex.
Flynt	Monagan	Trimble
Fogarty	Montoya	Tupper
Fountain	Moorhead	Udall
Fraser	Morgan	Ullman
Frelinghuysen	Morris	Van Deerlin
Friedel	Morrison	Vanik
Fulton, Pa.	Morse	Vinson
Fulton, Tenn.	Morton	Wallhauser
Fuqua	Mosher	Watts
Gallagher	Multer	Weltner
Garmatz	Murphy, Ill.	White
Gary	Natcher	Whitten
Gialmo	Nedzi	Wickersham
Gibbons	Nix	Widnall
Gilbert	O'Brien, N.Y.	Wright
Gill	O'Hara, Ill.	Young
Gonzalez	O'Hara, Mich.	Zablocki

NAYS—162

Abbott	Dowdy	Passman
Abele	Ellsworth	Pelly
Abernethy	Findley	Pillion
Adair	Fisher	Pool
Alger	Ford	Quie
Anderson	Foreman	Quillen
Andrews,	Gathings	Reid, Ill.
N. Dak.	Goodell	Reifel
Ashbrook	Goodling	Rhodes, Ariz.
Ashmore	Griffin	Rich
Baker	Gross	Rivers, S.C.
Baldwin	Grover	Rogers, Fla.
Baring	Gubser	Rogers, Tex.
Battin	Gurney	Roudebush
Becker	Hagan, Ga.	Rumsfeld
Beermann	Haley	St. George
Belcher	Hall	Saylor
Bell	Harris	Schadeberg
Berry	Harrison	Schenck
Betts	Harsha	Schneebell
Bolton,	Harvey, Ind.	Schweiker
Frances P.	Henderson	Scott
Bolton,	Hoeven	Secrest
Oliver P.	Horan	Short
Bonner	Hutchinson	Shriver
Bow	Ichord	Siler
Bray	Jensen	Skubitz
Brock	Johansen	Smith, Calif.
Bromwell	Johnson, Pa.	Smith, Va.
Brotzman	Jonas	Snyder
Brown, Ohio	King, N.Y.	Stinson
Broyhill, N.C.	Knox	Taft
Broyhill, Va.	Kunkel	Talcott
Bruce	Kyl	Taylor
Burton, Utah	Laird	Teague, Calif.
Byrnes, Wis.	Langen	Thomson, Wis.
Cederberg	Latta	Tollefson
Chamberlain	Lennon	Tuck
Chenoweth	Lipscorn	Utt
Clancy	McClary	Van Pelt
Clausen,	McCulloch	Waggonner
Don H.	McDade	Watson
Clawson, Del	McIntire	Weaver
Cleveland	McLoskey	Westland
Collier	McMillan	Whalley
Colmer	MacGregor	Wharton
Corbett	Martin, Calif.	Whitener
Cramer	Martin, Nebr.	Williams
Cunningham	May	Willis
Curtin	Milliken	Wilson, Ind.
Curtis	Minshall	Winstead
Dague	Moore	Wydler
Derounian	Murray	Wyman
Devine	Norblad	Younger
Dole	O'Konski	
Dorn	Ostertag	

NOT VOTING—47

Arends	Hardy	Nelsen
Auchincloss	Hébert	Pilcher
Avery	Hoffman	Powell
Barrett	Johnson, Calif.	Purcell
Barry	Jones, Ala.	Rains
Bass	Kee	Robison
Bennett, Mich.	Kilburn	Senner
Buckley	Lankford	Sheppard
Celler	Lesinski	Staggers
Derwinski	Lloyd	Thompson, La.
Dingell	Long, La.	Thompson, N.J.
Evins	Macdonald	Toll
Forrester	Michel	Tuten
Glenn	Miller, N.Y.	Wilson, Bob
Grant	Moss	Wilson,
Gray	Murphy, N.Y.	Charles H.

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Kilburn against.  
 Mr. Celler for, with Mr. Hoffman against.  
 Mr. Toll for, with Mr. Michel against.  
 Mr. Auchincloss for, with Mr. Miller of New York against.  
 Mr. Glenn for, with Mr. Nelsen against.  
 Mr. Barry for, with Mr. Derwinski against.  
 Mr. Dingell for, with Mr. Thompson of Louisiana against.  
 Mr. Thompson of New Jersey for, with Mr. Long of Louisiana against.

Until further notice:

Mr. Sheppard with Mr. Bob Wilson.  
 Mr. Lesinski with Mr. Bennett of Michigan.  
 Mr. Hardy with Mr. Avery.  
 Mr. Macdonald with Mr. Robison.  
 Mr. Murphy of New York with Mrs. Kee.  
 Mr. Barrett with Mr. Buckley.

Mr. Bass with Mr. Forrester.  
 Mr. Evins with Mr. Grant.  
 Mr. Charles H. Wilson with Mr. Staggers.  
 Mr. Jones of Alabama with Mr. Gray.  
 Mr. Johnson of California with Mr. Rains.  
 Mr. Senner with Mr. Powell.  
 Mr. Tuten with Mr. Pilcher.  
 Mr. Purcell with Mr. Moss.

Messrs. QUIE, GUBSER, and WHARTON changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11812) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 6 hours, one-half of the time to be controlled by the gentleman from Arizona [Mr. RHODES], and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11812, with Mr. PRICE in the chair.

IN THE COMMITTEE OF THE WHOLE

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Virginia [Mr. GARY] will be recognized for 3 hours, and the gentleman from Arizona [Mr. RHODES], will be recognized for 3 hours.

Mr. GARY. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, let me say at the very outset that I am performing this task not by choice. We have a situation in which it fell to my lot to present this bill. The majority of the subcommittee did not agree with the recommendations of the chairman of the subcommittee and after the majority of the subcommittee had spoken the chairman said that he was not in accord with their action and he therefore withdrew from the further handling of the bill.

Under the rules of the House as the next ranking member of the subcommittee it became my duty to handle the bill. And here I am.

But may I say that I certainly cannot be considered a novice in the handling of the bill. It so happens that the gentleman from New York [Mr. ROONEY], and I have had the privilege of serving on this subcommittee longer than any other person in the entire Congress. It fell my lot to become its first chairman back in 1948 when it was created. I served as chairman for about 6 years. During that time I had two chairman-

ships. I was the chairman of the Subcommittee for Treasury and Post Office Appropriations and also for Foreign Aid. The Subcommittee on Foreign Aid was a special committee. Then the chairman decided to make a regular subcommittee out of it, and under committee rules, a member could not hold the chairmanship of two regular committees. I chose the Subcommittee on Treasury and Post Office and willingly retired as the chairman of the Foreign Aid Subcommittee. I have, however, continued to serve on the subcommittee since that time.

Mr. Chairman, let me say that I favor the foreign aid program. I have been in favor of the program since its very inception. I consider it an essential part of our foreign policy as well as our national defense.

Oh, I know that there has been a lot of criticism of it. We talk about waste, inefficiency, and mistakes that have been made. Certainly, no one has striven harder than I to eliminate the waste, the inefficiency, and the mistakes in the program. However, in a program of this magnitude it is almost inevitable that there will be some errors made because it extends all over the world. We have the difficulty of selecting able men to conduct such an extensive program. When we get good men, we get a good program. When we get inefficient people, we get an inefficient program. Yet I do believe that in the last few years this program has been greatly improved.

Mr. Chairman, when we talk about the inefficiency of the program, let us also consider the other side of the ledger. In my judgment the foreign aid program has saved the world from communism. I say this without hesitation.

My mind goes back to the year 1947. I was in Europe that year. I came back and I told my people in numerous speeches that one thing that impressed me more than anything else was the fact that regardless of where we traveled, regardless of what country we were in, there was unmistakable evidence of the fact that the rulers of Soviet Russia had determined upon a course of world domination and that nothing short of that would satisfy them. Certainly nothing has happened since that time to change my opinion.

I well remember that just about that time Russia had taken over Yugoslavia; they had taken over Hungary; they had taken over Czechoslovakia, without firing a single shot. Italy was having an election at that time and we were desperately afraid that the Communists would win the election.

Then, Mr. Chairman, the Secretary of State, George C. Marshall, suggested what eventually became known as the Marshall plan. He suggested that we go to the aid of these weak countries in Europe. They had been overrun during the war, they were devastated, and they had lost hope. So, we started with the Marshall plan. What happened? Immediately the march of Russia was stopped. Italy voted against communism and eventually Europe was saved.

It was estimated that the Marshall plan would be a 5-year plan and would cost \$15 billion. Instead it was com-

pleted in 4 years and cost \$12 billion. It accomplished its purpose. I do not ask the members of the committee to take my word alone for this. In 1952 I was again in Europe, this time as a member of the so-called Richards committee. We were briefed by General Eisenhower, who was then the Supreme Allied Commander in Europe.

The question was asked him in this briefing:

General, in your opinion what would have happened had we not had the Marshall plan?

He said:

In my judgment if it were not for that program, with the possible exception of Spain, every country in Europe would be Communist today.

I think he was right.

When we stopped them there, what did they do? They blockaded Berlin, and we had to put forth that tremendous effort in the Berlin airlift. All of you will remember what a magnificent, outstanding job our military forces did in supporting Berlin from the air.

Then when they saw they were blocked there, they started to use force in Korea, and it was necessary for us then to meet force with force. This we did. We stopped communism again in Korea, at a great cost, I admit, but we stopped them. We found then that our allies were not prepared to render material military assistance in case of war, and we were convinced that Russia was going to continue to use force unless we opposed force with force.

So what happened? We started the military assistance program to aid our allies, and this we have continued along with the economic program to strengthen the free nations militarily and economically so that they could retain their freedom.

Mr. Chairman, I wish I could tell you that the fight or the threat is over. The threat still exists. Secretary Rusk and Secretary McNamara came before our committee and told us that it was essential that we continue this program. We need it today as much as we have ever needed it.

Let us look for a few moments at the budget request. In the budget that was presented last year for funds for the fiscal year 1964 the first request was for \$4.9 billion—approximately \$5 billion. You will recall that President Kennedy at that time appointed an impartial committee headed by General Lucius Clay to make a study of this program. After the Clay Committee reported, the President himself voluntarily reduced the program to \$4.5 billion. The Congress authorized only \$3.6 billion in the authorization bill. Then the request was further cut in the appropriation bill to a final figure of \$3 billion, plus a carryover of \$399 million of unobligated balances from 1963.

What happened this year? We have a new President. President Johnson, as all of you know, promised to present a reduced budget. He wanted a tax cut, as did the people of the United States and the Congress of the United States. The President felt that unless the expenditures were reduced the chances of get-

ting a tax cut were very slim. The initial budget presented to him was for \$104 billion.

He worked over it night and day for weeks, until he finally brought in a budget of \$97.5 billion.

In doing that the estimates for foreign aid had to be reduced. He said:

Surely the Congress cannot object to giving me the same amount this year that they gave my predecessor last year.

So he cut the requests for the foreign aid program \$1 billion, until he got it down to the figure of last year, \$3,391,700,000, which is the amount appropriated last year plus the carryover that we voted for the program. That was the figure that he submitted to the Congress.

Then we had additional difficulties in Vietnam. The President sent the Secretary of Defense and David Bell to Vietnam to investigate. When Mr. McNamara and Mr. Bell returned from Vietnam and made their report to the President, he decided that it was impossible for him to conduct a proper program in Vietnam with the funds he had requested. He then came to Congress with another request for \$125 million for use in South Vietnam, \$55 million for military assistance and \$70 million for economic support. That made a total request of \$3,516,572,400.

Mind you, even with that increase this was the smallest amount that had been requested, except for 3 years, since the inception of the program in 1948. What is more, I have a very interesting table here going back to 1956, showing the budget request for each year, the appropriations for each year, the unobligated carryover, and the transfers and reimbursements and the recoveries. What does this table show? It shows that the funds available for new programs in 1965 under the bill that our subcommittee is presenting to the House today is the smallest since 1956. In other words, the aid program will have less funds available for next year than they have had at any time since 1956.

Moreover, there has been a lot of talk about the unexpended dollars, ranging around \$7 billion. But the unexpended balance, or the pipeline, for next year will be \$400 million less than for the current fiscal year.

What did our officials who are administering this program say about it? Secretary Rusk told our subcommittee the request is a bare minimum, and pointed out that the program costs us less than 4 cents out of every tax dollar. Secretary McNamara called the program essential to our continued security as a leader of the free world, and said the military assistance fund should be \$400 million more than the President's request. He added that it makes no sense to spend \$50 billion a year on defense and then refuse to spend a mere 2 percent of that amount to support our allies in the collective defense of the free world.

Both Secretary McNamara and the Chairman of the Joint Chiefs of Staff, Gen. Maxwell Taylor, testified before our committee that the military assistance program should be \$1,400 million rather

than the \$1 billion that was requested. They said that the request for military assistance is not sufficient, and I also do not think it is. I did not think it was sufficient when we appropriated that amount last year. The only way they got by was by transferring money from the contingency fund to the military assistance program.

I will grant that we have not cut the military assistance estimate in this bill one single dime, but frankly I do not think the President asked for enough money insofar as military assistance is concerned.

But let me say this. I have gone along with the chairman and members of our subcommittee from year to year in cutting this program. I think this budget which has been presented this year is a tribute to our committee. I think we have won a great victory. We have been cutting the budget each year trying to eliminate the waste, and in recognition of that fact, the President this year accepted our figures of last year. So I think we have won a victory, and I, for one, am not for snatching defeat from the jaws of victory.

There is one other item I would like to discuss briefly, and that is the question of personnel.

We are told that the personnel in this program increased 7,000 during the past year. Now that just is not correct. I invite your attention to the table appearing on page 121 of our hearings. That table shows that instead of having 71,000 employees as claimed, the actual employees; that is, the direct-hire personnel, is only 28,569; and that is a reduction of 3,647 over the past year.

As to the persons participating in the program other than direct hire, which includes contractor employees and man-year equivalent of reimbursable support services of other agencies, they had 9,493 last year. This year the figure is 9,635. That is up by 142.

Now here is where the 71,000 figure comes from. There are participants in the program, the foreign nationals that we are training in the program. We do not pay them any salary. We do not pay them any wages. It is true we do pay in some instances for their subsistence and for their tuition in training programs. That figure is 33,212 in 1964 compared to 28,503 in 1963, and is the major factor in the total increase from 70,212 to 71,416.

In other words, they have reduced the number of regular employees, and they have increased the number of participants, which is proper.

Even then, if we include all these individuals, instead of an increase of 7,000 the increase is only 1,204.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I am glad to yield to the gentleman from Michigan.

Mr. FORD. In the hearings for fiscal year 1964, part 3, page 189, a table was included in the record by the AID personnel which shows that the grand total of U.S. employees and foreign national trainees was 64,536 as of April of 1963. In addition, if the gentleman will turn to page 893 of the hearings of the Subcommittee on Foreign Operations

Appropriations, for fiscal year 1965, part 2, he will find a colloquy between the gentleman from Louisiana [Mr. PASSMAN] and Mr. Tennant. Mr. Tennant, as the gentleman knows, is the Controller for AID. In that colloquy Mr. Tennant appears to agree that the figure a year before was 64,000 and the figure in 1964 was 71,000.

Mr. GARY. If the gentleman will look at page 121 of the hearings of the Subcommittee on Foreign Operations Appropriations for 1965, he will find a table furnished by AID, which is a later table than the one to which he refers. There it is shown that the total for 1964 was 70,212. Those are not employees, but a combination of employees and participants. Twenty-eight thousand of them are participants and they are not employees in any sense of the word.

The participants ought not to be included in any tabulation of the number of employees, since they are not employees of the U.S. Government. Even taking those figures, it was 70,212 as compared with 71,416 in 1964, which is an increase of 1,204.

Mr. FORD. If the gentleman will yield further, the colloquy between the gentleman from Louisiana [Mr. PASSMAN] and Mr. Tennant took place 1 month later than the chart to which the gentleman has referred. Mr. Tennant, the Controller for AID, apparently was disagreeing with the table which was inserted in the RECORD earlier. He was probably using more up-to-date information.

Mr. GARY. Mr. Tennant was not disagreeing with the table, because Mr. Tennant prepared the table. It may be that he did not have the table before him at the time.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. CONTE. The record should show clearly, so that it will not be muddled and confused, that the direct-hire personnel in the AID program in 1963 were 32,216, and by March 31, 1964, the number had dropped to 28,569, a drop of about 4,000 in direct-hire personnel. What increased was the military assistance personnel, the people in the program.

Mr. GARY. That is as it should be. They are training foreign nationals and substituting them overseas for U.S. employees. The number of U.S. employees has gone down. The number of foreign nationals participating in the program has gone up, and if they carry out the purposes of the program, that is the way it should be.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. GARY. I am glad to yield to the gentleman from Florida.

Mr. HALEY. What particular difference does it make whether they are employed by the Federal Government or not? They are still eating at the taxpayers' trough, regardless.

Mr. GARY. They are not being paid salaries. They are being trained, and they are getting certain aid in order to enable them to complete their training,

but they are not employees. We are training these people so that they can go out to serve their own nations. That is one of the purposes of this program.

Mr. HALEY. They are still on the taxpayers' backs.

Mr. GARY. They do get some funds from the foreign aid program, if that is what the gentleman means.

Mr. CONTE. Mr. Chairman, will the gentleman yield further?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. CONTE. It should be noted that on page 121, footnote 4, states in part:

Foreign nationals receiving training are not paid wages or salaries from foreign assistance funds; they are in no sense employees of the U.S. Government.

Mr. GARY. That is absolutely correct.

As I said, this is a minimum program that has been presented to us.

Everything points to that fact. What did our subcommittee do? The chairman of our subcommittee recommended a cut of \$514.9 million. The majority of the members of our subcommittee felt that cut was too much, but we still felt that the bill could stand some trimming. We did not agree with our chairman. Neither did we agree entirely with the President of the United States. The President said he had offered the bare minimum request and he did not want it cut a dime, but nevertheless our committee voted to cut it \$200 million.

This was the work of our subcommittee, but when we came to the full committee, on the motion of the gentleman from Mississippi [Mr. WHITTEN], an amendment to our bill was adopted which reads, as follows:

Of the foregoing amounts for economic assistance, \$300,000,000 shall be available for obligation only through the apportionment review and approval procedure prescribed by law in such amounts and at such times as may be determined by the President in the national interest that funds otherwise available for the purposes of programs under this title are insufficient to meet the cost of additional authorized projects.

Now, there is a law which says that funds can be set aside as a reserve to be drawn on only in the case they are actually needed. Under the antideficiency law agencies are required to apportion their expenditures in advance on a quarterly or periodic basis so that at the end of the year they will not incur a deficiency. That bill, which, in my judgment, has saved our taxpayers millions of dollars, was drafted by Mr. Cannon, the late former chairman of our Committee on Appropriations, and Mr. John Taber, than whom there are none "whomer." Those gentlemen were responsible for that antideficiency law.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, under this bill we have used that procedure to put into reserve an additional \$300 million. In addition to the regular reviews required under the law, these funds can be used only if the President determines that it is in the national interest.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the chairman of my committee.

Mr. MAHON. Would the gentleman be willing to insert at this point in the RECORD that section of the statute which makes reference to the procedures to be followed in cases of this kind?

Mr. GARY. I would very much like to have it inserted.

Mr. MAHON. I do not want to take up the gentleman's time now, but I think it is well, in view of the point he has made, that it be inserted in the RECORD at this point.

The matter referred to is as follows:

TITLE 31, SECTION 665

(c) Apportionment of appropriations; reserves; distribution; review.

(1) Except as otherwise provided in this section, all appropriations or funds available for obligation for a definite period of time shall be so apportioned as to prevent obligation or expenditure thereof in a manner which would indicate a necessity for deficiency or supplemental appropriations for such period; and all appropriations or funds not limited to a definite period of time, and all authorizations to create obligations by contract in advance of appropriations, shall be so apportioned as to achieve the most effective and economical use thereof. As used hereafter in this section, the term "appropriation" means appropriations, funds, and authorizations to create obligations by contract in advance of appropriations.

(2) In apportioning any appropriation, reserves may be established to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such appropriation was made available. Whenever it is determined by an officer designated in subsection (d) of this section to make apportionments and reapportionments that any amount so reserved will not be required to carry out the purposes of the appropriation concerned, he shall recommend the rescission of such amount in the manner provided in the Budget and Accounting Act, 1921, for estimates of appropriations.

(3) Any appropriation subject to apportionment shall be distributed by months, calendar quarters, operating seasons, or other time periods, or by activities functions, projects, or objects, or by a combination thereof, as may be deemed appropriate by the officers designated in subsection (d) of this section to make apportionments and reapportionments. Except as otherwise specified by the officer making the apportionment, amounts so apportioned shall remain available for obligation, in accordance with the terms of the appropriation, on a cumulative basis unless reapportioned.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. GARY. Yes. I will be glad to yield to the gentleman from Michigan.

Mr. FORD. Apropos of our colloquy a few minutes ago, I think it is well to put in the RECORD at this point the total cost of all personnel, both the direct hire and other than direct hire, and the participant costs in fiscal 1964.

Mr. GARY. You mean the 28,000 who are not U.S. personnel?

Mr. FORD. I will read to you what it shows on page 132 of the hearings. For fiscal year 1964, as shown in part 2 of the hearings, it shows that direct hire, both economic and military, had a total cost of \$214.9 million. Other than direct

hire, for economic and military, had a total cost of \$87.3 million. Participant costs, both economic and military, were \$93.3 million, for a total cost for all categories of \$395.5 million.

Mr. GARY. Mr. Chairman, I have no objection to the gentleman's inserting that information in the RECORD, but I do want to make it perfectly plain that when he is talking of participants, he is not talking about employees of the U.S. Government.

Our committee recommends, as I stated, an actual cut in the figures submitted by the President of \$200 million; and in addition to that putting aside this reserve of \$300 million, which means that we are calling into question practically the entire amount that our subcommittee chairman urged us to cut.

As I stated at the very beginning this program is a vital part of our national defense. I have never spoken to a military man who did not say that the periphery of islands beginning in the Aleutians, over to Japan, then over to Korea, over to Okinawa, over to Formosa and then on to the Philippines, were not a necessary part of our national defense. They are necessary for two reasons. As a matter of fact, that whole area is necessary for our defense. We call it the forward defense area. And why? Because as long as they remain in friendly hands we can use them as bases in the event of war, for an attack on the enemy.

On the other hand, if they are in Communist hands, they can be used as bases for an attack on our own country. They are therefore absolutely essential to our defense.

In this connection, let me present to you a table in volume 1, page 462 of the hearings. We have two means of protecting those islands. One is to let the natives themselves defend them or to send our troops over to defend them.

In Korea they have ample manpower. When I was in Korea during the Korean war, General Van Fleet, the then commanding general, told me personally that the Koreans made excellent soldiers, and he said, "Do not let anybody tell you to the contrary." They needed training. They needed equipment. They had nothing to fight with. They needed supplies.

The same is true of Formosa. They have the troops. I have also been to Formosa. But they did not have the equipment. We had the choice of equipping their forces or sending our own forces over to defend the islands. I requested the military authorities to prepare the table which appears on page 462 which shows that in Korea, the Philippines, Taiwan, Thailand, and Vietnam, that forward area of defense, they have 1,923,359 men under arms and the total cost of maintaining those forces is \$822,823,062.

Now, Mr. Chairman, if we were to supplant those men with our own troops, it would cost us a vastly greater amount. The military can give you the cost per man for maintaining our own troops on those islands. To maintain the same number of troops would cost us in military expenditures \$7,583,537,000. You might say, "Well, we would not need as many of our men because we have better

soldiers." For the sake of argument let us cut the number in half. It would still cost more money just for those areas than the President has requested for the entire foreign aid program all over the world. He has only requested \$3.5 million. It would cost us over \$3.5 billion just to maintain our own troops in those areas and, besides, it would mean that our boys in the United States who now can go ahead with their studies and prepare themselves for future life would have to spend a part of their time in these faraway places.

Mr. Chairman, I believe that Europe should be protected by Europeans. I believe that Asia should be protected by Asiatics. I believe that those islands should be protected by their natives, and they are willing to do it. But they cannot do it without aid from the United States.

Mr. Chairman, the aim of this program is to provide them with the equipment that is so essential for that purpose.

Friends, let me say this. This program has always been a nonpartisan program. One of my proud possessions is a letter that I received from President Eisenhower in July of 1953 which reads as follows:

THE WHITE HOUSE,

Washington, D.C., July 27, 1953.

Hon. J. VAUGHAN GARY,  
House of Representatives,  
Washington, D.C.

DEAR VAUGHAN: In view of your previous leadership in the MSA program, I must admit that it was not a great surprise to me to find that you are still providing support for and having a positive impact on this effort. I do want you to know, however, that I greatly appreciate the help and assistance you have given this critically important national undertaking.

My compliments and congratulations to you for the fine contribution you have made to the Nation's security efforts.

With kind regards,

Sincerely,

DWIGHT D. EISENHOWER.

Mr. Chairman, I was a member of this committee at that time and I did assist President Eisenhower throughout his entire administration in supporting this program. I believe in it. I ask no credit for it. But again I say this is not a partisan program.

Mr. DORN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-seven Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 174]

Arends	Harsha	Robison
Avery	Healey	Rogers, Tex.
Baring	Hébert	St Germain
Bass	Hoffman	Senner
Becker	Kee	Sheppard
Bennett, Mich.	Kilburn	Staggers
Buckley	Lankford	Steed
Celler	Lesinski	Thompson, La.
Corman	Lloyd	Thompson, N.J.
Davis, Tenn.	Long, La.	Toll
Dingell	Long, Md.	Tuten
Evins	Martin, Calif.	Vinson
Fisher	Miller, N.Y.	Wilson, Bob
Frelinghuysen	Nelsen	Wilson,
Glenn	Norblad	Charles H.
Griffin	Pilcher	
Hanna	Powell	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 11812, and finding itself without a quorum, he had directed the roll to be called, when 383 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. GARY. At the time of the quorum call I was explaining that this has never been a partisan issue. I hope it will not become one now, and certainly there is no reason why it should. I would like to read a recent telegram which was sent by ex-President Eisenhower.

Mr. FORD. Mr. Chairman, will the gentleman yield to me?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, I wholeheartedly agree that at least as long as I can remember this program has not been a partisan program. It has been supported by Democratic Presidents and Republican Presidents. As a matter of fact I recall back in 1961 when we were considering the fiscal year 1962 appropriation for the foreign aid program I offered an amendment on the floor to add \$300 million to the military assistance program. This was necessary because the subcommittee and the full committee had made very substantial reductions in the program.

At that time the chairman of the subcommittee was the gentleman from Louisiana [Mr. PASSMAN]. He opposed my amendment, and I should like to state for the record that the gentleman from Virginia [Mr. GARY] opposed my amendment.

Mr. GARY. I beg the gentleman's pardon; if I am not mistaken I supported the gentleman's amendment.

Mr. FORD. The gentleman from Virginia did in another year but not in 1961. As a matter of fact the rollcall shows that the gentleman from Virginia and the gentleman from Louisiana [Mr. PASSMAN] voted against the increase in the funds that I requested. Some of the other members of the subcommittee voted with me on that occasion.

Mr. GARY. I remember on one occasion I succeeded in bringing about a compromise in the full committee—

Mr. FORD. That is correct.

Mr. GARY. On an amendment that the gentleman offered increasing the amount in the bill.

Mr. FORD. I think the gentleman was right. I think the net result was for the good of the country. But over the years there have been honest differences of opinion. In 1961 the gentleman from Virginia and Mr. PASSMAN were on the same side. I wanted to increase military assistance and I was supporting at that time the budget request submitted by the late President Kennedy. The subcommittee was opposed to the increase.

All I am trying to say is that each of us in any one year has had to exercise his own best judgment and that is the responsibility of the Legislative branch.

Mr. GARY. I agree with the gentleman thoroughly.

I want to read this telegram from former President Eisenhower which was sent to Congressman HALLECK and Senator DIRKSEN. He said:

I have long been convinced that continuation of a well conducted program of mutual security is necessary to the best interests of the Nation. During my years in the Presidency, in spite of much opposition and my realization that errors, duplications and even stupidity had often plagued the program, I consistently urged its adequate support by the Congress. While I believe that the Government should seek to eliminate waste and so improve the program that efficiency and sound long-range planning will result, I believe also that simultaneously the necessary financial support must be forthcoming. All of us of course recognize that the Congress has the final and independent responsibility for scrutinizing proposed expenditures and providing the appropriations for this program. And I am sure it will strive to fulfill that responsibility with good judgment and without partisanship.

But as a private citizen I voice my personal belief that the sum of \$3.5 billion represents a level of mutual assistance that cannot be drastically reduced without damaging the vital interests of the United States.

With great respect,

DWIGHT D. EISENHOWER.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. GARY. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, I recognize that this is a highly controversial program. I realize that the taxpayers of the United States would like to get rid of it. They have had it for a long, long time. It is a sacrifice; I will admit it is a sacrifice. But, friends, it is a sacrifice in dollars and not in lives.

Now, Mr. Chairman, we are faced with conditions all over the world today, particularly in those areas on the perimeter of Soviet Russia and Communist China and all I am asking the members of the Committee to do—we have a new President, he is faced with a prodigious job—is to stand by our President, the new chairman of our Committee on Appropriations, and the majority of our subcommittee who believe that the amount that we have recommended in our bill is the reasonable and proper amount for this Congress to appropriate for this vital program.

Mr. Chairman, I ask the Members of this House to go along with us. If this amount is too much, it will not be spent. But if it is too little, it might be serious.

Mr. Chairman, I thank the members of the Committee for their attention.

Mr. RHODES of Arizona. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. FORD].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, before discussing any of the details of the bill, I would like to make several factual statements that I believe will help to clear the air.

First, we are not considering a \$3.5 billion budget request for the foreign aid program for fiscal year 1965. The facts are that President Johnson has sub-

mitted to the Congress a budget request for new obligation authority under titles I and II of \$3,958,377,000. Unfortunately, based upon some of the discussion that has taken place here today, the impression has been created that the President only asked for \$3.5 billion. In reality, he has requested \$3.5 billion in round figures, plus \$441,677,000. This comes about when there is included both titles I and II. In addition, in title III he has asked for the necessary operating expenses for the Export-Import Bank.

Certainly, the impression has been created that the budget request for new obligation authority in fiscal year 1965 is a very bare-bones request. The facts are that the \$3,958 million requested in new obligation authority by President Johnson is \$694 million more than what the Congress gave to the executive branch of the Government in fiscal year 1964. The final congressional new obligation figure for fiscal year 1964 as contained in titles I and II was \$3,264 million.

Mr. Chairman, I believe this is important because it shows that the budget request for the next fiscal year is over a half billion dollars more in new obligation authority than what the Congress gave to the executive branch for the current fiscal year.

I think it is well to take a look at some of the precise figures on the one hand comparing the final new obligation authority which was granted in the fiscal year 1964 and the budget request for the fiscal year 1965 in new obligation authority. There are six areas in dispute between those who signed the majority report and those who signed the minority report. I will analyze these on the basis of the request for new obligation authority and the amount of new obligation authority which was made available in the fiscal year 1964.

In the first account we have development grants. The Congress in fiscal 1964 made available \$155 million in new obligation authority. President Johnson when he submitted his budget request for the development grants program for new obligation authority asked for \$224 million, a \$69 million increase over what was made available in the fiscal year 1964.

International organizations is the next account. The Congress in the final version of the appropriation bill for fiscal year 1964 made available \$116 million. President Johnson, in his January budget request for new obligation authority asked for \$134,400,000, an increase of \$18,400,000 over the current fiscal year.

The next account is supporting assistance. The Congress in its wisdom in the fiscal year 1964 appropriation bill for the AID program appropriated \$330 million in new obligation authority. President Johnson in his budget submission requested new obligation authority for supporting assistance in the amount of \$405 million, \$75 million more than what Congress gave him for the current fiscal year.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Virginia.

Mr. GARY. Is the gentleman including in those figures the carryover amount of unobligated balances from the previous year?

Mr. FORD. I am comparing obligational authority made available in 1964 with the President's budget request for new obligational authority in 1965. I am leaving it in that context.

Mr. GARY. I would appreciate the gentleman answering the question. Is he including the carryover funds, because that was a part of our appropriation last year. We appropriated \$3 billion plus \$399 million in unobligated funds which were carried over.

Mr. FORD. That is right; and in the appropriation bill we are considering today you are going to do the same thing. You cannot be very precise how much you are going to actually appropriate in this regard. One day they say it is \$53 million, but I will wager my good friend from Virginia when the final chips are down it will be almost \$100 million in the fiscal year.

Mr. GARY. I think the gentleman is wrong. It will not go anywhere near \$100 million. The best estimate now is around \$50 million.

Mr. FORD. I think that is irrelevant. I have been very precise, and have used new obligational authority in both cases.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. The gentleman from Michigan and the gentleman from Virginia realize it is impossible to tell how much of a carryover there will be for any fiscal year until about October of the next fiscal year. We have testimony to that effect. So the carryover at this time is always an estimate. But I can state for the benefit of the committee, and particularly the gentleman from Virginia, that the estimate we get at this time varies rather widely from the final figure.

The estimate is always lower than the final figure, within my memory, at least. For instance, as of June 30, 1963, the original estimate for the carryover was \$243,198,000. The final figure which we got in October was \$402,443,000.

Mr. FORD. Almost 100 percent increase.

Mr. RHODES of Arizona. So even if the figures which the gentleman from Virginia has given as to the estimate now are accurate, and I imagine they would be a little bit on the full side, still the carryover would be something in excess of \$110 million.

Mr. FORD. I thank the gentleman from Arizona. I think it well states the fact that there is a high degree of uncertainty in this program as to the amount of unobligated balance which turns up at the end of the year, as well as the amount of deobligations, and the amount of reobligations. For that reason, I have strictly limited myself to a discussion of the new obligational authority requested. This is precise. There cannot be any uncertainty about it. This is the way we ought to discuss the bill.

In discussing the supporting assistance area, the President's budget is \$75 million more than what Congress gave him last year.

In the area of the contingency fund, the President's request for new obligational authority was for \$150 million. Congress, in the fiscal year 1964 appropriation bill, gave to the executive branch \$50 million. The net result is that the President's budget request on this item alone is \$100 million more than Congress gave last year.

Let us take the Alliance for Progress development loan.

Mr. CONTE. Mr. Chairman, will the gentleman yield on the contingency fund?

Mr. FORD. I yield to the gentleman from Massachusetts.

Mr. CONTE. The gentleman from Michigan is absolutely right. We appropriated last year \$50 million in new money. We also gave the President unobligated funds there of about \$127 million.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Virginia.

Mr. GARY. I have some figures here on the contingency fund that were sent up to me just today. I wanted to get the latest figures. Last year they had new obligational authority of \$179,499,000. To that was added \$5,264,000 in deobligations, which made a total available for the contingency fund of \$184,763,000. Of that amount, \$75 million was transferred to military assistance, \$47.4 million was used in the Far East, \$53.6 million was used in Latin America, and \$6.8 million was used for nonregional purposes which leaves an estimated balance of unobligated funds at the end of 1964 of \$384,000.

Mr. FORD. Of course, the recitation of figures by the gentleman from Virginia does not relate to the point I have been making from the outset, where I have been comparing new obligational authorities that the President asked for in January and new obligation authority that the Congress made available in fiscal year 1964.

Mr. GARY. The question is, what is available for expenditures?

Mr. FORD. Now let us turn to the Alliance for Progress development loan.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. RHODES of Arizona. If I might further clarify the situation which the gentleman from Massachusetts was addressing himself to. On page 79 of the hearings dealing with the contingency fund, the following colloquy took place:

Mr. PASSMAN. What was the amount of the unobligated funds that you did not previously request?

Mr. BELL. \$127 million.

Mr. PASSMAN. What was the total that you had available for the contingency fund?

Mr. BELL. After the appropriation—the Congress appropriated \$50 million of new money, and allowed us to use—or reappropriated, I guess is the technical phrase, the \$127 million.

Mr. PASSMAN. Giving you a total of \$177 million?

Mr. BELL. Yes.

So the amount of money available last year in the contingency fund was \$177 million. But I think the gentleman from Michigan will agree with me when we consider the use which has been made of the contingency fund last year, we should bear in mind that the administration used \$75 million for military—which is a completely unauthorized use of contingency funds.

Mr. FORD. It might be well for the gentleman from Arizona to tell how it was an unauthorized use and how it actually took place. It would be an interesting story.

Mr. RHODES of Arizona. The gentleman from Michigan knows that according to the law the contingency fund is only for economic assistance. But by transferring funds from the contingency fund over to another category of economic assistance, the administration is able to use the 10-percent transferability feature from each of these categories and in that way actually siphon money indirectly from the contingency fund over into military. This was done. This was an unauthorized act. There is a contingency fund of \$300 million which is available for the military but which the administration did not choose to use at all. So when you consider what happened to that \$177 million of contingency funds last year, I think in all due fairness you should deduct \$75 million for military and say that at the very most the amount of \$102 million was expended as Congress intended it to be expended and as the gentleman knows the minority will offer an amendment to appropriate the amount of \$100 million for the contingency fund next year which will be almost the same as the amount that was spent properly last year.

Mr. FORD. I might add to the comment of the gentleman from Arizona. He mentioned there is a contingency fund under the authorization act for military assistance. I think it is section 510. Under section 510, if there is a need for additional military stocks over and above the funds made available in the appropriation bill for the foreign aid program, the President, the Secretary of Defense, can dip into our own military stocks up to the limit of \$300 million. This is supposed to be the military assistance contingency fund. Subsequent to the utilization of this fund, of course, the administration, the President, has to come back and get a replenishment in order to rebuild our own Army, Navy, and Air Force stocks. But this would have been by far the more clean cut—the more legal way in which to help and assist the military assistance.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. RHODES of Arizona. Just to bolster the argument we are making, that the use of contingency funds for the military was illegal or at least against the sense of the Congress, let me read from page 382 of the hearings from a colloquy between Mr. Bundy, one of the assistant secretaries of defense at that time, and the gentleman from Louisiana [Mr. PASSMAN].

Mr. BUNDY. A proposal was made about May or June last year to transfer an amount from the economic to the military side under section 610—

Which, I say parenthetically, is the transferability section—

As to whether that could have come from the contingency fund, frankly, prior to the legislative history of the fiscal 1964 legislation, which on the floor of the Senate particularly did make clear that the contingency fund was available on the military side, it was the unanimous judgment of the lawyers in every corner I could find that it was not proper to transfer from the contingency fund for the military aid appropriation.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Virginia.

Mr. GARY. I merely wish to say to the gentleman that if the President borrows from the military appropriation under section 510, he has to pay the military appropriation back. The testimony shows that he has never used that authority for that reason.

Mr. FORD. They used \$75 million of it.

Mr. GARY. Not the military contingency fund; not under section 510.

Mr. FORD. They used the regular economic contingency fund to the extent of \$75 million.

Mr. GARY. They used the regular contingency fund to that extent. The contingency fund was available. Mr. Bundy said:

A proposal was made about May or June last year to transfer an amount from the economic to the military side under section 610. As to whether that could have come from the contingency fund, frankly, prior to the legislative history of the fiscal 1964 legislation, which on the floor of the Senate particularly did make clear that the contingency fund was available on the military side, it was the unanimous judgment of the lawyers in every corner I could find that it was not proper to transfer from the contingency fund for the military aid appropriation.

He says that the contingency fund was available.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Bundy was relying on a rather weak reed, if I may argue that point a little, because the legislation which set this up had already been adopted. He was using the debate on a later bill to try to determine what Congress meant at an earlier time. I do not mind saying, so far as one Member of Congress is concerned, I have never voted for that contingency fund in the expectation that it would be used for anything but economic assistance, and I do not believe other Members did.

Mr. FORD. Mr. Chairman, I should like to finish my presentation.

I had started to mention that under the heading of "Alliance for Progress development loans," President Johnson in January made a budget request for new obligational authority of \$465 million.

Congress last year, in the consideration of the foreign aid appropriation bill, made available in new obligational authority for this item \$375 million. In other words, President Johnson's budget submission in January was \$90 million more in the Alliance for Progress development loan program.

Turning to development loans as a whole, in 1963 Congress appropriated new obligation authority of \$687,300,000. That is new obligational authority. President Johnson in January of this year asked for \$922,200,000 in new obligational authority, or an increase over what Congress gave him for the current fiscal year of \$234,900,000.

I do not believe the record shows that this budget request for the foreign aid program is a "bare bones" request. It is not a request that is lower than Congress made available in new obligational authority in fiscal year 1964. In fact, it is substantially more.

Let us take another basis of comparison. If you will take the figure those of us who signed the minority report submitted—about a \$510 million reduction—that will still leave available in new obligational authority for the administration \$3,006,672,400 for fiscal year 1965. This would be more than \$200 million above what the House of Representatives gave at the time we considered the bill last year.

It is more money than the Congress as a whole made available in new obligational authority for fiscal year 1964. So, with a half-a-billion-dollar cut, we still would be doing more than the Congress as a whole did last year.

Now, there have been some comments made earlier about the fact that this was the lowest budget request in a number of years. I think the gentleman from Virginia [Mr. GARY] said it was the lowest request in 9 years. My distinguished chairman and good friend, the gentleman from Texas [Mr. MAHON], I guess wrote us all a letter, or at least he wrote me a letter, telling me, and I quote:

Funds available for obligation are lower than for the current year, lower than at any time in the last 9 years, and \$200 million below the new appropriation request.

I think it is rather interesting that they only went back 9 years, that is, the gentleman from Virginia and the gentleman from Texas, because if they had gone back 1 more year, they would have found it was not the lowest request in 10 years. I have before me several charts provided by the Agency itself which indicate categorically that if they had just gone back 1 more year, even under your criteria, the request for fiscal 1965 was not the lowest.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I will be very glad to yield.

Mr. MAHON. I think it would be well to go back and supply the figures since the very beginning of the program, but for the purposes of showing the total available funds for obligation in fiscal 1965, I thought we did a good job. The total available for obligation for the forthcoming year in this bill is \$3.567

billion. Last year it was \$3.623 billion. The year before that it was a billion dollars more, \$4.573 billion. The year before that it was \$4.972 billion.

My point is, if anyone finds it possible in his heart to follow the recommendations of the President and believes that the President needs a foreign aid program and that it is an important instrument in defense and foreign policy, then I believe he could reasonably support the pending bill, the lowest figure in 9 years.

Mr. FORD. The figures you just recited are the most helpful argument I have for the reduction we are proposing. The mere fact that they have had such large unobligated balances and such large amounts of deobligations proves one thing; that is, they have asked for and been given far too much money in each of the years the gentleman read the figures for.

Mr. MAHON. But here is a bill which is a billion dollars and a billion and a half dollars below the figures of fiscal years 1963 and 1962 respectively.

Mr. FORD. That just proves my point.

Mr. MAHON. So, if we believe this is an important instrument in foreign policy and national defense, if we have the lowest figure in 9 years in the pending bill, and if we believe in it at all in this critical stage in the history of the world, why should we not support it? This runs contrary to the gentleman's position when he signed the minority report in 1961, because the committee cut the bill, he thought, too much and he said he did not think that such a reduction could be defended. Yet that bill called for more obligational authority than this bill does today. I do not understand my friend's position now.

Mr. FORD. I find myself in a very desirable position because I have traditionally supported the program and have voted every year for the authorization. I have supported the appropriation bill every year. I supported President Kennedy when the gentleman from Virginia and a number of others opposed an increase that we tried to get for military assistance. I signed the minority report in 1960 when we were considering the fiscal year 1961 appropriation bill because the bill was too low. But when, I say, in 1964 some of my friends want to be rubberstamps for the executive branch of the Government, want to accept, as was done with the authorization bill without changing a figure, I rebel because they cannot justify their position on the facts.

Mr. MAHON. Mr. Chairman, will the gentleman yield further?

Mr. FORD. I am delighted to yield.

Mr. MAHON. Mr. Chairman, I would like to recall the word "rubberstamp." There has been no rubberstamp here. Over \$200 million has been cut from the bill and \$300 million of the request has been put on the shelf and cannot be released except under special circumstances.

Mr. FORD. My good friend from Texas knows better than to bring up that phony argument.

Mr. MAHON. The \$300 million has been put on the shelf, so to speak, and \$200 million has been cut out of the President's budget. The President himself reduced the request by \$1 billion. In its action on the foreign assistance program last year the Congress said in effect, "Mr. President, we think the foreign aid budget request is too high; we think about \$3.5 billion is enough." And we approved a total sum of approximately \$3.6 billion last year. So who is the "rubberstamp," if there is one? The executive branch has apparently said, "Well, Congress, you may be right; Congress, we will agree with you; Congress, we will ask for the forthcoming year your figure of last year."

So if anybody has acquiesced it has been the Executive acquiescing in the will of the Congress. The Congress has not been a rubberstamp in any sense of the word.

Mr. FORD. Does my good friend from Texas think that we ought to appropriate this much every year just because we did it last year or just because we are doing it this year? Do you not think we ought to exercise a little independent judgment next year as we have in the past?

Mr. MAHON. That is the reason we made reductions. But when the President is trying to prevent war between Greece and Turkey over Cyprus, when the President is trying to prevent the loss of half a continent in the instance of the country of Brazil, when we have problems in South Vietnam, and when the Communists are threatening us in many ways, in many areas, why not give the President not everything he asked for but generally what he has asked for?

The President is the man who operates the program. We in Congress do not have to sit down and negotiate with foreign countries. We do not have to try to put out brush fires. The President says he needs this as a tool, as an instrument, to promote peace, to strengthen our defenses. We are, in the bill before us, giving him the lowest figure in 9 years. I am going to give a new President, for the first full year of his service, generally, the amount of money he has asked for in this dangerous area and hold him strictly accountable for it.

Mr. FORD. The gentleman makes a very persuasive argument, but I never heard him make that argument in the past.

Mr. MAHON. I have not had a chance to do so in 9 years because this is the lowest bill we have had.

Mr. FORD. No, I cannot agree with the gentleman, and I shall bring the figures to the gentleman's attention; and then I shall yield to the gentleman from Mississippi, because I know he has something important to say. But the facts are these. Let us go back to the fiscal year 1955. The President then asked for \$3.4 billion. The Congress cut \$700 million from that program and left new obligatory authority of \$2.7 billion. I did not hear the gentleman from Texas make this very strong and vigorous plea then. In 1956, in that fiscal year, the President asked for \$3.2 billion. Congress cut that half a billion dollars and made available \$2.7 billion. I did not

hear this very impassioned plea then by the gentleman from Texas.

In fiscal year 1958 the President asked for \$3.3 billion. Congress cut \$600 million out of it, leaving a total of \$2.7 billion.

The circumstances in those years were serious, were dire; they are today. The Congress in those years exercised its own independent judgment. It did not kowtow, it did not rubberstamp all of the requests of the executive branch of the Government.

Mr. MAHON. If the gentleman will yield further, the gentleman knows that we are not rubberstamping what the executive branch has asked for. We have gone back 9 years. If you go back 10 or 12 years, you have different situations and you have to realize the then existing conditions, what the facts and circumstances were as they existed at that time. I have done my home work on the last 9 years of the program. I am sorry I have not gone back further, but I believe 9 years is a pretty good stretch of time to give consideration to here.

I am quite surprised that my friend, the gentleman from Michigan, has ignored the \$1 billion cut that the President himself made in order to get this program down to a lower figure. Then, we cut it \$200 million and we put \$300 million more on the shelf.

My friend is more or less out of character. He is not typical of the JERRY FORD who has stood up and defended this program in the past when he now insists on a total cut of \$500 million, below the reduced figure which the President sent to Congress.

Mr. FORD. The President has not cut anything. It is his budget. All he did was cut the request of the bureaucrats in the Department. That is his responsibility as head of the executive branch of Government. The only thing we have before us is the request that says he wants \$3.9 billion. And, when you include titles I and II, he has not cut anything. He is submitting a budget of that figure. If he had to beat some heads together over in AID, that is his job. That is what he is there for. He did not cut anything. Our job is to examine the program before us.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. If I wanted to abolish the Committee on Appropriations I believe I would have ample evidence to do so by quoting the chairman of the Committee on Appropriations, the gentleman from Texas [Mr. MAHON], based upon the statement which he has just made, and he made it in the full committee. The statement was about like this: "You do not know enough to mark up this bill, you do not know enough to mark up this bill," pointing to various members of the committee, "but the President does. The President has all the information at his fingertips. Therefore, I am going to give him everything he asks for."

If this is true of the foreign aid bill, it probably is true of many other appropriation bills also.

I wonder too, if this is the situation I say to my good friend, the gentleman from Texas, why do we bother to have hearings? Why do we not take the word of the people downtown and abolish the Committee on Appropriations and write a bunch of blank checks? I, personally, do not believe that we should do this.

Mr. MAHON. Mr. Chairman, since my name has been mentioned, will the gentleman yield further?

Mr. FORD. I yield further to the gentleman from Texas.

Mr. MAHON. Certainly, I believe that we should have the Committee on Appropriations and that we should make reductions and changes and modifications in executive estimates. We have done that to the extent of a half billion dollars in this bill. I believe that answers that part of the statement.

As to who is the best judge of the value of the foreign aid program, I say that the people who have had to operate that program—I would say President Truman, President Eisenhower, President Kennedy, and President Johnson, because they are the ones who have sat at the conference table and have tried to put out brush fires all over the world and have tried to negotiate with nations, not Mr. FORD or Mr. MAHON or Mr. RHODES of Arizona. We are not the ones who have used this instrument. We have had no opportunity to use it. We have either approved it or disapproved it, but they are the ones who have operated it. If you have a manager down on a farm, the manager knows more about the operations of that farm than the banker, because the manager is out there running it.

I realize that there are members of the committee who know a great deal about the details of the individual projects, and more so than many representatives in the executive branch of the Government, but it is the President himself who is our spokesman in foreign affairs and who is the Commander in Chief of the Armed Forces. He is the best man to make these decisions affecting national policy in these areas.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman from Michigan yield further?

Mr. FORD. I yield further to the gentleman from Arizona.

Mr. RHODES of Arizona. If the gentleman from Texas feels incapable of marking up an appropriation bill, let him speak for himself. I, personally, do not. I feel just as capable of marking up this bill after going through the hearings and hearing the facts as anyone else.

Mr. MAHON. We marked it up and we cut it.

Mr. FORD. I said a very unkind thing, but I think personally it is accurate. I will give the gentleman an opportunity to reply.

Mr. WHITTEN. If the gentleman feels that way, I take no exception to his using his own description. I think this type of approach has worked very well in another subcommittee.

Let me describe what this does mean. It means that in the item in the bill for economic assistance if this section stays

in the act, they will pull out of those items \$300 million and set it aside. Then the remaining amount they will allocate under section 665, of title 31, United States Code, wherein it is provided that the remaining funds will be allocated on a monthly or quarterly basis.

If that section is carried out by the President, or by him through the Bureau of the Budget, it means that this amount the gentleman from Michigan and the gentleman from Louisiana and everybody else has complained about is put in the pocket before the first of July. They have it in a separate item, and if the provisions of this amendment are carried out there will have to be two determinations, one of them being that for the new projects for which they use this \$300 million, under my amendment, they must show that there is a need, and so certify, and second, they also must show that there is not enough money in these other activities to meet that need. To my knowledge, in over 5 years, this will be the first time there will be any requirement in here requiring a review by the executive branch before the money is spent. I say that this is the first step to improve the situation that the gentleman from Michigan and the gentleman from Louisiana have complained about year after year. I want the record to be clear. I have not gone along with the billions that have been appropriated in times past. I do not think that is a sound foreign policy. I believe we are involved in the affairs of foreign countries too much. But if the gentleman will read the provision, and if it is carried out as it is intended, it will likely save \$300 million.

Mr. FORD. May I say to my good friend from Mississippi, I have grave doubt that it will be very helpful in achieving economy. On the other hand, I hope it will. I will guarantee the gentleman from Mississippi, if this provision stays in the bill, and if I am back and a member of the subcommittee in 1965, I will pursue the method by which the executive branch of the Government executes the amendment which he has sponsored, and I hope that they will be able to prove to me that your amendment saved \$300 million. I will pursue it to the end to be sure that they explain what they do.

Mr. WHITTEN. May I say to the gentleman I hope he will. Furthermore, it will do what I say if we can count on those administering it in the executive branch discharging the requirements of the provision. I just say it is a step forward, and 12 months from now we will have an opportunity to see how they discharge their responsibilities under the section.

Mr. FORD. If I am a conferee, I will fight to keep the amendment as is, because I want to see how it works, and I will expect the executive branch of the Government to execute it in bona fide good faith, to the "t," and we will get a report from them next year.

Mr. WHITTEN. I am glad to hear the gentleman say that, because the provision provides what I said. It will work if properly carried out. If it is not properly carried out, nothing will work.

Mr. FORD. In conclusion, I would like to say, although the President submitted a request in January for \$3,900-some million, when we include both titles 1 and 2, that is not the full amount of funds available to the executive branch of the Government.

In the first place, according to a letter I have received from Mr. David Bell, head of AID, they expect to utilize in 1965, \$1.5 billion of Public Law 480 funds, which, incidentally, is almost a half-billion dollars more than they used in the fiscal year 1958.

So they got \$3.9 billion in new obligatory authority. They anticipate spending through Public Law 480 another \$1.5 billion. In addition, they have substantial amounts of local currency availability. They have both country-owned and United States-owned local currency availability. As a matter of fact, according to their own justification books, under the country-owned program they expect to have available \$328.5 million. They expect to have in fiscal 1965 under local currencies United States-owned \$1,192 million. This is a total of local currency availability in fiscal 1965 of over \$1,500 million.

For some years we have been hearing that some of our allies whom we very generously supported in the days following World War II would make a greater and greater contribution to the foreign aid program to help underdeveloped countries throughout the world. Some of the allies whom we helped in the post-war period have been increasing their contribution. Go back to 1956. Countries like Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Norway, Portugal, and the United Kingdom made available in long-term financial resources about \$1 billion. They have gradually increased this to about \$2 billion, maybe a little more, when you go up to 1962. But the facts are they have not made as big a contribution as they should, and the facts are we have not been tailoring down our own foreign aid program. It seems to me it is high time that our allies take a greater share of the burden, get a more equitable distribution of the responsibility for the help of underdeveloped countries throughout the world.

May I conclude with this comment. I think if you believe in the integrity of the Congress, the legislative branch of the Government, its judgment, its prerogatives, and its responsibility, then I think you can honestly support the recommendations made by the gentleman from Louisiana [Mr. PASSMAN], the recommendations of the gentleman from Alabama [Mr. ANDREWS], and the recommendations proposed by the gentleman from Arizona [Mr. RHODES], the gentleman from Ohio [Mr. MINSHALL], and myself.

If you believe that the two other coordinate branches of the Federal Government, the executive and the judicial branches, are assuming legislative prerogatives and responsibilities, they you should support our recommendations.

If you believe the Supreme Court and the executive branch of the Government are seeking to engulf the legislative re-

sponsibilities of the Congress, then you ought to support the recommendations for reduction that we in the minority are supporting. These additional reductions of approximately \$300 million are fully justified on the facts.

If you vote against the reductions, the additional cuts that we are proposing, you are in effect acquiescing in the usurpation of power and authority of the legislative by the executive branch of the Government. We have a responsibility to carry out our own independent judgment and not be a rubber stamp for the executive.

Mr. GARY. Mr. Chairman, I yield to the gentleman from Florida [Mr. HALEY] such time as he may desire.

Mr. HALEY. Mr. Chairman, we are assembled here today to go through our annual ritual of deciding how many billions of the American taxpayers' dollars will be made available in the new fiscal year for distribution in our largely unsuccessful effort to buy the friendship of foreign nations.

I call this a ritual because, in the first place, there is no question at all that we are going to vote to spend another 3 billion-plus of the taxpayers' dollars and, in the second place, because we are going to do this when everyone of us knows that friendship is not a commodity, and therefore is not something which can be bought by the highest bidder.

But before we do approve this new—and in my opinion unconstitutional—disbursement of the taxpayers' dollars for the benefit of foreign nations, I do believe that we should give some real consideration to what we are doing. And thus I believe that we should give serious consideration to adoption of the amendment to further reduce the scope of this bill, which I am informed will be offered by our distinguished colleague from Louisiana [Mr. PASSMAN].

We should remember, in the first place, that what we are going to do when we pass this bill will be done not only without the consent of the taxpayers, but over the objections of what I believe to be a majority of them. I dare to say that not one of the proponents of this bill—in either this Congress or in the executive branch—would be willing to let the voters decide, in a national referendum, whether we should continue this program at all.

But in the second place, we should—indeed, I think we must—give deeply thoughtful and sincere consideration to the amendment to be offered by the able gentleman from Louisiana [Mr. PASSMAN]. I would urge that this consideration be given not merely because I agree with our distinguished colleague—nor on the basis of whether we like him as a friend and a colleague. To the contrary, I would urge that we look at the intended amendment by the gentleman from Louisiana solely on the basis of his past and proven record of deep insight into the methods by which foreign aid proponents have consistently, and sometimes deceitfully, padded their budgetary needs, and his equally proven record of eliminating these "falsies" and thereby saving the taxpayers' billions of dollars in the past few years.

I say to you in all sincerity that the cut recommended by the appropriations committee is in itself a vindication of the past performance of our diligent colleague from Louisiana [Mr. PASSMAN]. It is true that the committee cut of "only" 6 percent in the administration's budget request has been hailed as a defeat for him and for those who oppose foreign aid. But the cold fact is that year after year, we have been presented with inflated foreign aid budgets, and then beleaguered and harassed to approve them at those inflated levels.

To our credit, we have refused to do so—last year, for instance, we cut 38 percent from a foreign aid budget its proponents said could not be cut without destroying the program. We made this cut because the foreign aid appropriations subcommittee, under the leadership of the gentleman from Louisiana, proved conclusively that the inflated budget could be cut—and could be cut with no detriment whatsoever to whatever merit the foreign aid program may have.

The new administration, I must admit, has not been slow to recognize the keen insight of the gentleman from Louisiana—and as a result, it sent up, probably for the first time in the history of foreign aid, a budget which was not deliberately and badly swollen. The evidence is that the administration believed sincerely the \$3.5 billion it is asking was the lowest workable figure.

So now where do we stand? Well, it is obvious that our able colleagues of the Appropriations Committee did not quite agree with the administration's estimate. Even they have seen to cut this so-called barebones budget by \$200 million. This action, in itself, was an admission that some fat still remained in the budget request. And I ask you—can we be certain that there still is not a bit of fat? I will remind you that 21 of our able colleagues on the appropriations committee agreed with the gentleman from Louisiana that another \$300 million worth of fat still remains which should be eliminated. True, 26 members of the committee thought differently—under considerable pressure from the executive branch, I am told. But with this narrow majority against the half-billion cut, must we not consider, seriously, that there is a possibility that in this case the majority of the committee could have been wrong?

I think we must. For myself, I will support the greater cut in this appropriation which will be proposed by our colleague from Louisiana—who has proven he puts principle above rank—and I would hope that a majority of the House, in its wisdom would agree to trim out the fat which still remains in this bill.

Mr. GARY. Mr. Chairman, I yield 15 minutes to the gentleman from New Mexico [Mr. MONTROYA], a member of the subcommittee.

Mr. MONTROYA. Mr. Chairman, last spring, a neighbor of mine planted a young willow on the edge of his lawn.

He was looking forward, he said, to the time—7 or 10 years hence—when his

children could play in the cool bower made by the graceful boughs.

For a time, the willow did not do well. Some of its leaves yellowed; some of its streamers turned brittle and brown. The sun beat upon it, and the grass choked at it.

My neighbor continued his patient work of watering the willow.

I saw the tree the other day, after an absence of some time.

A few of the leaves were still yellow; the same streamers are still brittle and brown. But the tree, nevertheless, has a healthy look. Its roots are taking hold; it is beginning to thrive.

Gentlemen, this is the case with the Alliance for Progress.

After 3 years, when the doubtful said it could not thrive in such soil; when the cynical said the water would be insufficient; when the vicious stripped and broke its limbs; when the climate dealt it cruel blows; after 3 years, the Alliance has grown—measurably, significantly.

It is not yet, gentlemen, a tree under which we, or our children, can rest. But it has begun, surely, the slow climb to maturity, and to the fulfillment of all of our hopes for it.

I say that by our action here today we can assure that tree another year of growth. I say that we must do so—for the sake of ourselves, our children and our friends. I say that we must continue its achievement.

These achievements, despite the shortness of the time of the Alliance in both our own national life and in the life of Latin America, are many.

Most striking to me, gentlemen, is the change in the mood of Latin America—a change in the mood of individual nations with themselves, and toward us.

Four years ago, we were the rich outsiders who held aloof from any involvement in the demand of millions of Latin Americans for a better life. We were disliked, feared, hated.

This has changed. We now are working with these same Latin Americans to help them achieve this better life. Our money, our knowledge, and our sweat show that we are truly partners in their program.

Four years ago, there was immense resistance to change in Latin America. The ways of life which had endured for 400 years were still judged good. If change were to come, it should be only token change.

Today, throughout Latin America, you will find a general commitment to the idea of change—of rapid change, of deep change. The Alliance for Progress has focused on change, shown that it was peaceful and probable.

Four years ago, the currents of Castroism and communism were running strongly. Only by the Cuban example, or the Russian example, the Latin Americans were told, could progress come.

Today, the currents have died. Latin Americans, looking at Cuba, see ruin and retrogression, violence and servitude. They see no progress, no dignity and no peace.

But also striking are the changes that have been accomplished in only a few

years, changes in the critical area of institutions.

Four years ago, only three nations had land reform laws or programs—of vital importance to an area where 10 percent of people own 90 percent of cultivable land.

Now, 12 nations have agrarian reform legislation and have created new land reform institutions. The emphasis is not solely on dividing up land, but on the equally difficult problems of improving productivity and marketing. There is movement, persuasive movement in land reform.

Four years ago, tax laws and tax administration in Latin America were regressive and chaotic. The laws bore heaviest on the poorest segments of the population. The rich evaded the taxes they owed.

Within the past year alone, 16 countries have brought about improvement in tax legislation and administration. The increase in revenues is truly startling, up to 128 percent on an unweighted basis. Government deficits are not yet eliminated, but they are being reduced, and Latin Americans are providing more of the funds that they need for development.

Four years ago, there were few credit unions or savings and loan institutions in Latin America. The institutions which could attract savings were weak or nonexistent.

Now, with U.S. assistance 400 credit unions already have been created, against an ultimate goal of 4,500. Seventy savings and loan associations have been established in five countries alone, and nine countries have enacted savings and loan legislation.

Four years ago, only three nations had begun the work of establishing priorities for development—work which we designate as national planning. There was a shortage of the technicians who could prepare such plans.

But today, every nation has a planning group of some variety. Eight nations have submitted their plans to the Organization of American States, and the technicians are growing daily in their experience and their effectiveness. The "development men" are moving toward the highest councils of government, and striking, too, in the physical change that has come with U.S. assistance under the Alliance.

Four years ago we of the United States had only begun to consider credits which would provide homes, schools, and water systems for the millions of Latin Americans without such necessities. We drew a sharp distinction between economic programs and social programs.

Today, we are much more aware that the two are a seamless web. Our credits have helped Latin Americans to build 222,000 homes, 23,400 schoolrooms, over 1,000 well and water systems. They also have helped publish nearly 7 million schoolbooks, and make over 200,000 agricultural credit loans.

By this time next year, gentlemen, the Alliance for Progress—if our action today is positive in support of it—will have benefited 24 million people with

pure water systems, nearly 9 million with health care, and over 22 million more with food, under the food-for-peace program.

The circle of events, from the decision taken almost 3 years ago at Punta del Este, is ever widening. The Latin Americans have only begun to feel its effects; we, too, just now are beginning to have a fuller understanding of the vital program which the late President John F. Kennedy launched, and which President Lyndon B. Johnson has committed himself to carry on.

Gentlemen, we are engaged, truly, in the most historic undertaking of our time.

We are seeking, in the short space of 10 years, to bring much closer to its full and powerful potential, an enormous region of 220 million people. We are seeking to bring the 19 nations there much closer to the levels of self-sustaining growth, within the framework of democratic choice.

We are seeking, by our action, to assure that the world of tomorrow will be a world which shares, to the fullest degree possible, our own ideals of human dignity and representative democracy.

We are finding, to an intense degree, that Latin America's commitment to these same ideals, and the will in Latin America to maintain them, are being supported with devotion, dedication and sacrifice, with self-help and with sweeping reform.

Already, much has been accomplished. I say that we must continue with the task so nobly begun. I say that we must put aside partisan cares, and honor our commitments to our Latin American friends, knowing that in so doing, we honor ourselves, our tradition and our history.

Mr. RHODES of Arizona. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. MINSHALL].

Mr. CLANCY. Mr. Chairman, will the gentleman yield?

Mr. MINSHALL. I yield to the gentleman from Ohio [Mr. CLANCY].

(Mr. CLANCY asked and was given permission to revise and extend his remarks.)

Mr. CLANCY. Mr. Chairman, there has been a lot of talk about this bill asking only for a rock bottom, absolutely minimal appropriation for continuation of our foreign aid program. Because we have already given away so many billions of dollars, \$3.3 billion may not represent a substantial outlay to some, but I believe it is more than we can afford to appropriate at this time for this purpose. Accordingly, I intend to vote against H.R. 11812 and will support any attempts to decrease the appropriation.

For a long time I have thought unrealistic the theory that the United States can create politically mature and sound governments and raise living standards in underdeveloped countries merely by giving them money. I believe the fallacy of this theory has been amply demonstrated.

Despite our good intentions and our humanitarian motives, foreign aid as a means to world peace has failed to stop the advancement of communism. At the

same time, it has not necessarily won friends, converts and allies to the democratic cause.

I think the United States has undertaken too big a job; it is too much to hope to make the world over in our image. Despite our wealth and strength, we cannot continue indefinitely to assist almost every country in the world. Our heavy foreign commitments, added to our domestic ones, are draining our resources. Our soaring national debt and dwindling gold reserves attest to this fact.

Unfortunately, our aid has often been poorly conceived and has not been sufficiently selective to insure that the recipient country is able to use it effectively. It has always been my belief that technical assistance programs are preferable to direct financial grants. And I am strongly opposed to rendering any assistance whatsoever to Communist bloc nations.

Despite the appropriation cuts made by Congress, the various foreign aid agencies over the years have had more than adequate funds to spend, and there has always been a multibillion dollar balance of unexpended foreign aid funds available at the end of the fiscal year.

As the subcommittee chairman has pointed out, more than \$7.1 billion remain unexpended at the end of this fiscal year from prior year appropriations. This would indicate that year after year we are authorizing foreign aid expenditures which are far in excess of the actual needs of a soundly executed program.

Furthermore, huge sums have been wasted for both military and economic projects. This waste in foreign aid funds has been documented time and again in many investigations by congressional committees and by the General Accounting Office.

The taxpayers have wearied of carrying this financial burden since the end of World War II. A recent poll of my constituents indicates that 83 percent of them favor reducing our foreign aid in scope or amount or discontinuing the program altogether.

The lack of value received for our tremendous outlays on this program through the years, the numerous cases of gross mismanagement and lax administration, and the urgent need to improve our domestic fiscal affairs and international balance-of-payments position convince me that this bill should be defeated.

Mr. MINSHALL. Mr. Chairman, I want to preface my remarks and would be remiss if I did not pay tribute to the courageous chairman of my Foreign Operations Appropriations Subcommittee. The Honorable OTTO PASSMAN is a Democrat of great personal honor and integrity who refuses to be led down the rose garden path, who refuses to sacrifice principle to anyone's selfish motivations and ambitions. I admire him for his strength of purpose, his steadfastness, and his courage.

Those of us who know that the foreign aid bill reported by a bare majority of the Appropriations Committee is a deceptive and wasteful bill, salute the gentleman from Louisiana for the brave and valiant battle he is waging for our coun-

try. Since becoming chairman of the subcommittee 10 years ago, he has been directly responsible for saving American taxpayers \$8 billion which otherwise would have gone down the foreign aid drain.

It rests on his shoulders, and on the shoulders of those of us who joined him in signing the minority report, to make our case for a reduction of some \$325 million in the bill before us.

The President and his supporters call this a "barebones" bill.

I do not question their right to call it that, but I do question whether they really believe it themselves. Let us look at the majority report.

In the report I call the attention of the House to paragraph 4 on page 2 and I quote:

As a part of his effort to reduce the total Federal budget, the President requested \$1,008,625,000 less for the foreign assistance program for fiscal year 1965 than was requested for the previous fiscal year. If this action had not been taken, the committee would in all probability have felt it necessary to repeat its action of last year and recommend a larger reduction in the funds provided.

They are saying that if the tumor had been bigger the surgeon would have removed it all. But it was a smaller tumor than expected, so only a portion was taken out.

In other words, if the President had asked for more money than President Kennedy did last year, the committee would have cut the foreign aid request literally to the bone. Since he asked for less, his reward is more money than he actually needs to operate an effective aid program.

That is what the majority report says. It is very clear. The words are those of the men who are telling you today that this is a "bare bones" bill.

This bill calls for \$526 million more than Congress appropriated last year. The reduction in this year's foreign aid budget is the smallest ever made by the House Appropriations Committee in the entire 18-year life of the foreign aid program.

I am not unrealistic; I am well aware of the importance, in many instances, of our aid program. Without it, much of the world would still be in ruins. Assistance still is essential in many areas of the globe to preserve our own security, to serve as a bulwark against Communist encroachment, and to fulfill a moral obligation. But, my votes against foreign aid are a protest against the manner in which the aid program is administered, all too often with complete disregard for the needs of the recipient country or the goals of good will and national security of the United States. My votes are against extravagance, waste, inefficiency and occasional corruption in the program. All too frequently our tax money has gone to further ideologies completely alien to our concept of the freedom of man and antagonistic to our Nation itself.

Since the inception of the aid program in 1956, a total of \$50 billion has been eliminated by Congress from presidential budget requests. It has not hurt the

program. The record will show that even more billions should have been eliminated. I protest the fantastic abuse of the aid money we hand over to the Executive year in and year out. When a country tells us to take our aid money and get out, it is baffling to me that the White House insists on sending the money anyway. But we are shipping more funds to Cambodia, Burma, and Indonesia, all of whom have categorically rejected our help.

It is baffling to appropriate \$3.3 billion in the face of more than \$7 billion in unexpended funds from prior years still on hand. We gave Tunisia \$10 million in 1962, \$15 million in 1963, we are asked to give them another \$10 million this year, despite the fact that Tunisia still has \$2 million of the \$10 million in 1962 funds; \$2 million still in the till from an appropriation of over 3 years ago.

Weeks of testimony before my subcommittee have convinced me that these programs are being requested with inadequate justification.

There is looseness in control and application of funds and programs. Only after the money is spent and gone do we learn of bungling, mismanagement, and waste.

Had Congress not signed a blank check in the past we could have perhaps avoided such absurd blunders as the \$2 million Peruvian highway which serves nobody, carries no traffic, goes nowhere; the Peruvian irrigation project which is waterless after an expenditure of \$125,000; \$3 million worth of hayrakes rusted out in Iran because there is no hay grown in that country; \$400,000 worth of TV sets for remote African jungle villages; \$5.6 million for an Indonesian road leading to an athletic stadium. The list is endless. I have protested for years against this sort of abuse of tax money. Taxpayers are weary of it. Our economy will buckle if it continues. Our national security is not served by it.

The bill today opens the door for future blunders of this magnitude. It is not a "barebones" bill. A genuine "barebones" bill would follow the minority report.

We would cut development grants \$49 million under the reported bill; international organizations and programs by \$20 million; supporting assistance, \$51 million; the contingency fund, \$50 million; Alliance for Progress development grants, \$50 million; administrative expenses for the Department of State, \$94.9 million; the Peace Corps, \$10 million.

We would cut an additional \$325 million from this budget, and perhaps could cut more, and we would not injure one major project of merit, disrupt one worthwhile program, or jeopardize the cause of peace.

The printed hearings of the Foreign Operations Subcommittee reveal a number of examples justifying this reduction. Countless more can be found in the unpublished, classified transcripts. Once again censorship pencils have been busy in the State Department and the Pentagon, eliminating politically unpalatable facts from the public record.

This abuse of the top secret stamp is

a grave disservice to the check and balance system of our government. With a phony security gag silencing Congress, the executive branch shows its contempt for the committee system and for the Congress itself.

This is not the first time I have taken the floor to protest this kind of censorship. I saw the Department of Defense Appropriations Subcommittee subjected to it this year. The same tactics were repeated by the same State Department and Pentagon people who appeared before the Foreign Operations Subcommittee.

On the facts as I heard them from witnesses testifying behind locked doors, from the facts available from past records and even from the current printed hearings, it is obvious that there is too big a price tag on the bill before us.

It is folly to call it a "barebones" bill. It is not.

I again call your attention to the minority report and I respectfully urge your support of it.

Mr. RHODES of Arizona. Mr. Chairman, is the gentleman from Virginia [Mr. GARY] down to his last speaker? Does the gentleman from Virginia have any additional speakers?

Mr. GARY. Yes, I do, but I would be glad for the gentleman from Arizona to proceed at the present time.

Mr. RHODES of Arizona. How does the time stand, Mr. Chairman?

The CHAIRMAN. Each side has remaining 2 hours and 2 minutes.

If there are no further requests for time—

Mr. RHODES of Arizona. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RHODES of Arizona. In a situation like this is it not the turn of the majority to yield time?

The CHAIRMAN. The majority has the right to close debate.

Mr. RHODES of Arizona. If the gentleman from Virginia has only one speaker left, then I would be glad to yield time on this side.

Mr. GARY. If the gentleman from Arizona is ready to close debate now, I would be glad to do so.

The CHAIRMAN. The majority has the prerogative to close debate.

Mr. RHODES of Arizona. Mr. Chairman, with reference to my parliamentary inquiry I do not believe my chairman has answered my question.

Mr. GARY. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. WHITTEN], who is the author of the amendment that was adopted in the full committee.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I have consistently opposed the foreign aid bill for many years. Not only has it been wasteful beyond description but in my opinion in addition has now become an instrument of real danger to us because through foreign aid we have injected ourselves into the internal affairs of just about every country which would accept

our money. Actually it was shown last year that some of the countries we aided were buying our gold. I have urged repeatedly that we review our foreign policy, end this costly and dangerous program.

In the appropriations bill which I have the honor to handle we pointed out this year in our report the following:

OVERSEAS PRODUCTION ENCOURAGED BY  
UNITED STATES

To further complicate this situation, our Government has been providing funds and technical assistance to enable competitors (Americans and foreigners) to increase their production overseas—both in quantity and quality—and to take over much of our traditional world markets with commodities produced with cheap labor, land and materials. It is extremely difficult for the American farmer to compete with foreign producers—although efficiency of production and superior quality has enabled him to retain some of his foreign markets despite this disadvantage.

The most serious situation facing the American farmer in this regard, however, is the current program of the U.S. Government which provides loans and investment guarantees to encourage American producers with American know-how to move their activities abroad to take advantage of cheap labor, land, and materials and to realize the benefits of certain tax advantages on overseas earnings.

Under the Foreign Assistance Act of 1961, American agricultural producers and other businessmen are being encouraged to go into business in foreign countries. In a brochure distributed to business interests throughout the country by the Agency of International Development (AID) entitled "Aids to Business—Overseas Investment." Americans who wish to move their interests abroad are given the following attractive inducements:

1. Investment surveys: AID will pay up to 50 percent of the cost of a trip to "explore the feasibility" of private investment abroad.

2. Dollar loans: AID will make dollar loans to encourage American investors to go into business abroad. The Export-Import Bank, International Finance Corporation, the World Bank, and the Inter-American Development Bank are also available for this purpose.

3. Local currency loans: AID will make local currency loans to Americans from foreign currencies generated under Public Law 480, the Agricultural Trade Development and Assistance Act, to undertake overseas production.

4. Investment guarantees: AID will guarantee the American investor against inconvertibility of currency, expropriation, confiscation, and other political risks and will guarantee against certain normal business risks inherent in all business ventures.

It should be noted, also, that the President's latest foreign aid message dated March 19, 1964 (H. Doc. 250) proposes even more liberal tax credit for American investment in less developed countries. Amendments recommended for enactment during the current session of Congress propose an additional tax credit of 30 percent on amounts invested by U.S. concerns abroad.

Mr. Chairman, our subcommittee is having an investigation made now. Several times in the past I have tried to get the Subcommittee on Foreign Aid to investigate these programs, since those of us opposed to the bill have been unable to defeat the appropriation.

I offered in the committee a few years ago a motion to determine what companies had been organized for the purpose of handling foreign aid only to lose. My purpose was to show who got the money as a start.

Mr. Chairman, notwithstanding our efforts against foreign aid, it has continued to pass the Congress and in the last 9 years more than \$31 billion has been appropriated. Repeatedly members of this subcommittee have pointed out that there was virtually no review of the aid groups actions, that they obligated practically everything just before the new fiscal year, only to deobligate and use for a different purpose thereafter.

With that background, Mr. Chairman, I offered, in the Appropriations Committee the following provision which appears in the bill as the second paragraph on page 4:

Of the foregoing amounts for economic assistance, \$300,000,000 shall be available for obligation only through the apportionment review and approval procedure prescribed by law in such amounts and at such times as may be determined by the President in the national interest that funds otherwise available for the purposes of programs under this title are insufficient to meet the cost of additional authorized projects.

This provision when taken in connection with section 665, of title 31 of the United States Code, would call for the executive branch to withdraw \$300 million from the items which appear theretofore in that title and place it on the shelf.

Then under section 665, the remaining funds would be budgeted or prorated on a quarterly basis to prevent running up a deficiency but this \$300 million would not be allocated until and unless and then in such amounts as the President, doubtless through the Bureau of the Budget, determined was necessary to be spent in the national interest, and that funds otherwise available were inadequate.

Mr. Chairman, in effect the foreign aid people would have to empty their pockets, lay the money on the table to the Bureau of the Budget, and show there was insufficient money to meet the new need if this section is properly carried out.

Mr. Chairman, I am opposed to continuing foreign aid, but I truly believe this provision if properly carried out can help to bring order out of chaos, should perhaps result in saving this \$300 million, and I know give at least an additional review to that which has had very little, if any, review in the executive department.

Mr. RHODES of Arizona. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. CONTE].

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, we meet again in these Chambers to decide an issue of major consequence. At stake is the purpose and policy of the U.S. Government face to face with world communism and their increasing efforts to engulf and destroy the liberties and dignities of free men.

It is my personal belief and testament that our foreign economic and military assistance program—as a vital arm of the U.S. foreign policy—is the single most powerful weapon we have in this never-ending battle against the forces that would swallow our liberties. I have often been criticized for giving my full support to this program. I have often been criticized for fighting to insure a strong bipartisan base of support for foreign assistance. And yet overwhelming evidence indicates that from the outset of the modern foreign aid program, there has been strong and dedicated Republican backing for the foreign aid program. Republicans gave support to the Marshall plan, to the Truman doctrine and other major mutual security developments, most recently through the passage of the International Development Agency legislation.

I do not enjoy the prospect of voting against my colleagues on this issue. I do not like to put myself into the position of opposing some of my finest friends. If I were to change my position in deference to my friends, however, I would not be able to live with myself. Those who have consistently opposed the program from the beginning will plead to the effect that they cannot change while they are in midstream. By the same token, I cannot chart a different course at this time. That would be unthinkable, for this program requires continued strength and vitality.

One matter is peculiar. Certain of my friends who fought for a strong bipartisan program during the Eisenhower years are not now deeply committed to the program. I cannot understand this. I have said often in the past that it would be a tragedy if the foreign aid program were made a partisan issue.

Mr. Chairman, the world situation today requires unity in every respect. We find ourselves split asunder on all accounts. As a leader in the free world's aspirations for liberty and dignity among all men, we must fill the gaps created by our enemies. We have found that in spite of difficulties, the foreign aid program has greatly improved in recent years.

A number of reforms have been made in concept and organization of the program. The foreign aid program is highly selective and concentrated. Only key countries with real potential for development or significant security interest are being assisted to any appreciable extent. It would be unwise to turn our backs at this point of major improvement.

We are, whether we have willed it or not, the leader in the march of the world's millions toward a new destiny. It is a leadership due not simply to our great economic structure and our military posture, but rather a leadership based on the strength of our ideas, our tradition of independence, and our respect for individual dignity.

This is why, Mr. Chairman, we need unity at this perilous juncture in world history. As the standard bearer of free men throughout the world, we have the responsibility of proving by deeds—and

not pious words—our justification and our leadership.

We know that much is expected of us. More importantly, we know we have been given a great deal—and woe to any man or nation who does not share what has been given.

Our program, in realistic terms, is a program of self-interest and self-preservation. No one can "go it alone" at this time, and we need our allies in every respect. Foreign aid can be compared to a two-edged sword. On one edge of the sword is the very practical aspect of working with our friends to make NATO, SEATO, CENTO, and the OAS—strong and powerful. Our self interest is involved. The practical, realistic application of the program is in keeping with these interests. Our security is involved. Is the Congress of the United States willing to lessen the security precautions that this program entails? Are we going to weaken ourselves vis-a-vis a world Communist design? Can we appropriate billions and billions for a moon program that may be the most impractical gesture ever made in the history of civilization and forget the nameable, countable human beings throughout the world who are embedded to the good earth and who cry out for our assistance?

On the other edge of the sword we have strong humanitarian traditions to uphold. In this regard I would like to say that foreign aid will not solve—and could never solve—all of the problems the United States faces in an increasingly complex world. It will not solve territorial or ideological disputes. It may not win us bosom friends. But let us not vent our feelings by slashing a program that asks a minimum amount of money which will be used to the fullest extent possible.

The program is consistent with our responsibility as Americans, and consistent with our long history of freedom. I urge all those who believe in the greatness of America to support foreign assistance at this time. Such support will continue to keep America strong and free at home, and resilient and powerful abroad.

#### FOREIGN AID AND AMERICAN WORLD LEADERSHIP

When the record of the 20th century is written, foreign aid will stand out as one of the greatest achievements of our time. Milton said, "Peace hath her victories no less renowned than war." There have been great victories in the 20th century, in peace as well as in war, but the greatest of all victories will be the securing of the freedom won at such great cost by war.

We live perhaps too close to events of the moment to comprehend their lasting significance. Yet we can see clearly enough to see that this is a turning point in history. From all of our experience, and from all we know about the world and its needs, it is clear that an enlightened program of assistance to less-developed countries is in the interest of all free men. President Eisenhower stated the case cogently in his last message on foreign aid when he said:

Foreign aid is not only grounded in our deepest self-interest but springs from the idealism of the American people which is the true foundation of our greatness. It rests

upon five fundamental propositions; one, that peace is a matter of concern to all mankind; two, that to keep the peace, the free world must remain defensively strong; three, that the achievement of a peace which is just depends upon promoting a rate of economic progress \* \* \* which will inspire hope; four, that \* \* \* help to the less-developed nations \* \* \* is a common responsibility of the free world community; and five, that the United States cannot shirk its responsibility to cooperate \* \* \* in this regard.

The overwhelming support of the vast majority of our citizens leads us inexorably to foreign aid as a fixed national policy.

Equally with military security, economic development is a common necessity and a common responsibility. An investment in the development of one part of the free world is an investment in the development of it all. Our welfare, and the welfare of all free men, cannot be divided \* \* \* we are dependent one on the other.

Just the other day President Eisenhower reiterated his deep belief in the foreign aid program, and urged Congress to support President Johnson's request for the funds necessary to operate an effective program during the next year.

#### FOREIGN AID IS THE AMERICAN REVOLUTION IN ACTION

As President Eisenhower himself recognizes so well, nothing better symbolizes America's role of world leadership than foreign aid. Of all of the great acts of American statesmanship, foreign aid is the most outstanding, and, I might add, the most in keeping with our own history and traditions.

The United States of America was the first new nation. Ours was the first modern, democratic revolution. We were the first colony to win our freedom. We were the first newly independent people to face the wilderness. The word "bootstrap" is an American word. Americans know what it takes to lift yourself by your own bootstraps, because America was created by the determination and hard work of its people.

Americans were political pioneers as well. We were the first people in history to establish a new government in a new land. Ours was a political revolution, which, once it succeeded, left us without adequate government. This is why we understand the problems in beginning with a revolution and building a nation. We know how difficult it is, once freedom is gained, to unify the people of a country, to create one from many, to establish a government which can govern. The words, "E Pluribus Unum," describe our unfinished task, a task we have in common with every other country of the world which, having gained independence, is trying to build one nation.

We understand—because it has also been our problem—the great dilemma faced by the other new nations in keeping faith with freedom, while at the same time maintaining the political stability necessary to prevent anarchy and avoid destruction.

Foreign aid is the American Revolution in action in the 20th century. Conditions differ, but the basic problems facing the new nations are similar to those which we faced and continue to face. It is through foreign aid—conceived not just as economic development,

for that is only part of the problem, but conceived as a total plan of action for bringing about social, economic, and political change in less developed countries—that the ideals and goals of the permanent American revolution, and the permanent interests and aspirations of the human race best find expression.

#### THE MARSHALL PLAN WAS A GREAT SUCCESS

Our commitment to foreign aid was a part of our assumption of world leadership following the Second World War. Helping Europe to recover was the first stage of this commitment. Beginning in the late 1940's it became apparent that the problems of the less developed world were equally urgent, and the point 4 program was launched. Then came Korea, and we were diverted from long-range development into emergency military assistance through the mutual security program. For about 5 or 6 years most of our energies were directed toward providing military assistance to the less-developed countries. Toward the end of the 1950's the immediate menace of external Communist aggression had diminished, while the need for long-term development, combined with internal security, had increased. Once again we changed directions, shifting from a program primarily military in concept to one primarily developmental.

It has been only 5 or 6 years now since we began to devote most of our energy to long-range development. After 15 years of aiding the less-developed countries, 10 of which were largely consumed by military efforts, we can begin to see results.

The Marshall plan had its critics. There were skeptics then, as there are now. The fainthearted said it would ruin us economically. The pennypinchers railed against adding to the national debt. The narrowminded complained about helping our competitors. The superpatriots protested spending our money on foreigners. Where are the critics and the skeptics now? What has happened to the doubters and complainers; to those who opposed the Marshall plan; to those who voted against the bill when it came up on the floor of this House?

Like the poor, they are still with us. And they are still singing the same sad song. The tune has changed, but the lyrics are the old leftover lines of 15 years ago. Of course, the Marshall plan succeeded. But the Marshall plan, they say, was different. Foreign aid to Europe worked; foreign aid to other parts of the world is predestined not to work. Foreign aid to developed Europe was justified; foreign aid to underdeveloped Latin America is a waste of money. A recovery program makes sense; a development program is beyond our means and capabilities.

History has not been kind to the doubters, the pennypinchers, the hand-wringers who said that the Marshall plan would not work. If experience has taught us any one lesson, it is that progress is made by those who look ahead, who have a vision of the future, who have the courage to attempt the seemingly impossible.

Foreign aid is the most ambitious and difficult endeavor in history. The concept itself is revolutionary. One hundred years ago England forcibly prevented her technicians from leaving the country for fear they would make their knowledge available to others. Today, it is a mark of enlightenment for a country to make available its technical skills and knowledge, and even to provide the capital necessary for economic growth. Yet part of our problem is that despite all the evidence to the contrary some are still reluctant to accept the validity of the concept itself. Others rightly argue that although the concept is valid, it has not been properly executed. But it is one thing to say that there have been mistakes, and quite another to say that the concept of foreign aid is not valid. It is one thing to offer constructive criticism—that is our duty, but it is quite another to find nothing but fault. It is one thing to say that foreign aid needs to be improved, but it is quite another to criticize without suggesting any alternative except less aid to fewer countries by a smaller staff with lower appropriations.

Every Member of this House wants to see improvements made in the foreign aid program. There is not a Member who does not have his own ideas about how this could be accomplished. Some of the criticisms and suggestions of Congress have been put into effect and have helped to improve the program. It is important for Congress to continue to suggest changes and improvements. If anything, there is need for even greater congressional examination of the strengths as well as the weaknesses of foreign aid. But there are any number of ways in which Congress can influence the course of foreign aid without casting doubt on the concept, undermining confidence in the program, and creating a negative political climate which favors restrictions and reductions rather than healthy, constructive criticism, and support.

#### ASSISTANCE TO LESS-DEVELOPED COUNTRIES ACHIEVING RESULTS

What are some of the accomplishments of foreign aid to the less-developed nations? We know what foreign aid achieved in Europe, but what do we know, beyond the successful prevention of Communist aggression, about the achievements of foreign aid in the less-developed world?

In terms of overall economic success, a recent analysis of 41 countries which have received more than \$300 million in American assistance since the beginning of the program, or, in the case of countries of less than 10 million which have received at least \$30 per person, reveals that 33 have achieved substantial economic growth of at least 1.5 percent per capita in increased income per year for the last 5 years. Fourteen of these countries have achieved complete self-sufficiency, while another 11 have reached the point of adequate self-sufficiency with less than 20 percent of their total investment presently being covered by foreign aid. In all 24 of the countries which have achieved both substantial economic growth and adequate

self-sufficiency, democratic political institutions have also been strengthened. Let me put this record another way. Of the 50 countries which have received more than token U.S. assistance over the past 15 years, more than 30 have already achieved or are approaching self-support status. This is a record of effectiveness of which all Americans can be proud.

Another overall measure of the success of our foreign aid program is the increase in our trade with countries receiving our assistance. U.S. exports to Marshall plan countries more than doubled from 1953 to 1962. Our exports to Japan have more than tripled since 1950. In 32 countries receiving 80 percent of U.S. aid between 1957 and 1962, imports from the United States have increased four times as fast as U.S. economic aid. There are many reasons why foreign aid is in our interest. One of these is the contribution foreign aid makes toward promoting trade. The less-developed world is potentially a vast market for American goods and services. Through foreign aid American business can achieve new opportunities for commercial relations with countries which can become good customers in the future.

We know that besides promoting more and better trade between the less-developed countries and our own, the foreign aid program is also having an increasingly beneficial effect on the American economy—80 percent of all procurement now consists of American goods and services, and much of the remaining 20 percent eventually comes back home. Almost every State in the Union is now beginning to experience the good effects of aid contracts.

In 1960, only 11 percent of the iron and steel products financed by foreign aid appropriations came from American steel mills. During 1963, about 87 percent was purchased from U.S. producers. In 1960, 11 percent of the nonferrous metals financed under foreign aid came from the United States, compared to about 92 percent in 1963. For fertilizer the percentage rose from 17 to 97 percent. Similar figures could be given for many other products.

Furthermore, the restriction of foreign aid spending to U.S. goods and services means that a substantial share of U.S. exports in some lines is now financed by our foreign aid program. For example, in calendar year 1962, one-third of U.S. exports of locomotives, one-third of U.S. exports of fertilizer, and 21 percent of U.S. exports of iron and steel products were among the commodities purchased under the foreign aid program to assist the economic development of countries in Asia, Africa, and Latin America.

Under these new policies, the foreign aid program today accounts for a relatively small and declining element in the U.S. balance-of-payments deficit. The outflow of dollars under foreign aid next year is estimated at about a half billion dollars—far smaller than the \$2½ billion spent abroad each year by U.S. tourists, or the nearly \$3 billion invested abroad each year by U.S. business.

In addition to the direct benefit of sales, aid-financed U.S. procurement is also providing the opportunity for U.S. business to gain experience in world trade. Many contracts are being let to businesses which have never had any experience, or have had very little experience, in selling overseas. Through foreign aid contracts American businessmen are learning the ropes and acquiring the skills necessary for selling through regular commercial channels in the future. As trade replaces aid in the years to come, these skills, techniques, and business contacts will prove invaluable in enabling the American businessman to take his rightful place in the world market.

There are countless other examples of the successes being achieved in the less-developed countries with our help. You could write a shelf full of books on the technical assistance achievements made possible through U.S. aid, or on the advances made in public administration, taxation, and business administration. Countless other examples could be cited in the field of cooperatives; in the development of private enterprise through the extension of credit; or in the development of agriculture through a combination of technical assistance and agricultural credit.

Many stories could be told about the great achievements in the fields of health and education. One of the most dramatic of these is the story of malaria eradication. During recent years the number of cases of malaria in the world has been cut from 350 million to less than 100 million. In some countries malaria has been eliminated altogether, freeing millions of people for more productive lives. This is not only a great human achievement, it is a great step toward developing the economic potential of countries burdened with sickness and disease. In several areas of India, for example, the return on money invested in controlling malaria has been about 50 to 1 in increased industrial production, resulting in an increase in the Indian gross national product of some \$500 million each year. In one rich region in northern India the elimination of malaria increased the area of cultivated land by 400 percent and the production of food grains by 130 percent.

THE ALLIANCE FOR PROGRESS IS BEGINNING TO WORK

Although Latin America began to receive major foreign aid only 2 years ago, progress under the Alliance for Progress has been encouraging. Despite the great difficulties encountered in transforming the societies of Latin America, 11 countries have initiated significant tax reforms, 10 countries have passed land reform legislation and 3 others have legislation pending. Ten countries have exceeded the goal of a 2.5 percent annual growth rate called for by the Alliance. The total value of Latin American exports increased 7 percent in 1962, the last year for which figures were available, and trade within the region rose by 12 percent. Equally important, between 1957 and 1962 U.S. manufacturing affiliates in Latin America increased their sales by 70 percent.

By June 1965, more than 300,000 new homes, some 36,000 classrooms, more than 2,000 water systems and some 600 hospital and health units will have been built in Latin America with our help. Three hundred thousand farm credit loans will have been issued. Eleven million textbooks will have been printed.

All of the Alliance countries have improved their tax administration capacities. In a number of these—such as Chile, Colombia, Ecuador, Peru, Argentina, El Salvador, Mexico, and Bolivia—these administrative changes are, or promise to be, sweeping. U.S. Internal Revenue Service teams have been assisting tax reform efforts in 10 countries and will soon be helping in 4 others.

Progress in basic agrarian reform has been slow, but there has been some encouraging movement. Cooperatives and credit unions are growing. For example, rural electric cooperative activity has begun in a dozen countries. Colonization and land settlement programs are active in half a dozen countries. Progress continues in the introduction of new legislation and in issuing regulations for the administration of existing laws. Twelve countries have already introduced agrarian reform legislation. The agrarian reform institutes or land reform agencies in these 12 countries have greatly strengthened their technical resources and show encouraging progress in conducting basic surveys and project development. AID is assisting in this rural development effort through the cooperation of the land-grant colleges.

Fifteen countries have self-help housing programs. Savings and loan legislation has been adopted by nine countries: Chile, Dominican Republic, Ecuador, Peru, Venezuela, Argentina, El Salvador, Guatemala, and Panama. The first five of these countries now have operating systems—a total of nearly 70 savings and loan associations with 100,000 depositors who have accumulated deposits equivalent to more than \$35 million. These associations provide savings badly needed for productive investment.

The building of new institutions to channel savings into investment is clearly seen in the establishment of development banks or other intermediate credit institutions in most of the Latin American countries. Since the inception of the Alliance, private or public development banks have been set up or are in the process of creation in eight countries: Bolivia, Brazil, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, and Panama. In addition, the Central American Bank for Economic Integration—CABEI—has been established and is promoting private sector development in member countries.

Latin America is truly on the march. Nothing better demonstrates the difference between communism and democracy than the progress being made in the free countries of Latin America, by contrast to the slow death of Cuba under Communist rule.

SUPPORT FOR FOREIGN AID IS GROWING AMONG BUSINESSMEN

These are but a few examples of the accomplishments which can already be

seen, even in this brief time, from long-term development assistance to the emerging countries. Clearly, this is not a time to turn back. This is a time to press ahead; to forge a more effective weapon for serving the ideals and purposes for which the foreign aid program stands.

There are those who would have us believe that the Americans are against foreign aid. On the contrary, support for foreign aid is strong, and growing stronger. A recent study of 1,500 prominent businessmen, for example, disclosed that a great majority of American business leaders consider foreign aid essential in promoting a self-supporting and prosperous community of free nations. These findings, reported in the General Electric Forum, were heralded as "revolutionary in their significance" and they are. They symbolize the new consensus in the United States about our responsibility as the leader of the free world, to provide assistance necessary for developing this community of free nations. American businessmen understand the significance of the foreign aid program for the future economic strength of the United States. They know that economic assistance to Western Europe and Japan has contributed to the doubling of our exports across the Atlantic, and a tripling of our exports to Japan.

The American businessman knows that there is a potential mass market of over \$1.9 billion waiting in the less-developed nations, and that helping to increase the purchasing power of these people could be just as revolutionary as the development of wide-volume mass markets in America. Foreign aid could be the key to helping spread the industrial revolution to Asia, Africa, and Latin America.

The United States sells on the average \$5.12 worth of goods to every person in the less-developed countries each year. Every dollar by which this is increased will add nearly \$2 billion to total U.S. exports each year.

For every 1-percent increase in the gross national product of the less-developed world, U.S. commercial exports can be expected to increase by about 1.4 percent, or almost 50 percent as fast.

Foreign aid could, indeed, be the key to the creation of a great world market, and an international capitalist system which could be the final answer to the pretensions of communism.

#### THE MEASURE OF OUR GREATNESS

These signs of progress are gratifying. At the same time, it is becoming increasingly apparent that the road to development is not paved with quick solutions. It will take decades before many countries will achieve self-sustaining growth. The process will be long and painful, full of disappointment and temporary defeat. The task before us calls for determination but also for patience. We are an impatient people, used to doing things in a hurry. In the case of foreign aid, there are pressing problems—but they cannot be solved overnight.

We are also a very democratic people, intolerant of social injustice, extremes of economic inequality, and lack of political opportunity. We are sometimes impa-

tient with others because we have difficulty seeing our own social, economic, and political progress in perspective. We also tend to measure the progress of others by what we have today, rather than by what they had yesterday. Only if we gain a better perspective of the process of development will we have the persistence to prevail.

It has been 15 years since the Marshall plan, yet only now are we able to see its results. I hope and believe that in years to come we will be able to enjoy the fruits of our present labor. It must be remembered, however, that in Europe all of the necessary conditions were present for rapid development. By contrast, many of the less-developed countries are beginning at the beginning. If it took 15 years to see the results of the Marshall plan for Europe, how much longer will it take to measure the results of our present program for the less-developed nations?

The world is entering a period of great uncertainty and stress, which will tax the patience and tolerance of every nation. It could become a time of trouble, with the poor turning on the rich, and the rich turning away from the poor. Or it can become the beginning of a new age, with freemen working together for their common good. That choice is in our hands.

Now, more than ever, our response to the challenge of development is a measure of our greatness as a people and our enlightenment as a nation. And now, more than ever, American genius is required to make foreign aid a more effective answer to the great questions facing the less-developed world.

President Johnson and General Eisenhower have asked for our support. Let us now give it, not grudgingly, or in a spirit of despair and defeat, but in full awareness that although the way be perilous and long, there can be no turning back. With a community of free nations as our ultimate goal, let us rededicate our country to the ennobling and historic task of helping two-thirds of the human race to win, not just freedom, but the blessing of life, liberty, and the pursuit of happiness.

Mr. Chairman and members of the committee, I am going to submit here, because I do not want to trespass on the patience of my fellow members, some comments on the minority report which I feel should be answered by someone. I have the greatest respect for the members on my side, and I know that a great many of these join with the chairman of the subcommittee, but I know that these are some of his feelings, because I sat in that committee along with the gentleman from Arizona who has done such a tremendous job and has been most diligent in working with the committee and sitting there patiently day in and day out. He and several of us have been sitting there because the attendance has not been too great. I think the reason why it has not been too great is because of the chairman's insistence on asking the questions and then answering the questions without giving the witness the opportunity. Therefore, I am taking this opportunity here today to submit some of my comments on the minority report.

The comments on minority views are as follows:

First. Page 16: The minority views state that we are financing over 4,000 foreign aid projects.

This is not accurate. There are at present 2,358 active projects being conducted by AID. This includes all loan and grant projects for which there are unliquidated balances. During the hearings Mr. PASSMAN maintained many of these projects could be broken down into subprojects. However, the figure of 4,000 projects cannot be substantiated. The best and most accurate estimate is the 2,358 of actual numbered projects now active.

Second. Page 16: The minority report charges that there are now 71,416 people on the foreign aid payroll, an increase of 7,000 since fiscal year 1963.

This total figure includes 33,000 foreign nationals who are not employed in the foreign aid program at all. These people are being trained as part of our foreign assistance program. About 21,000 of them are being trained under military assistance training programs. The actual number of personnel in the foreign aid program, including both direct-hire and contract employees, was 38,204 as of March 31, 1964. The corresponding figure as of April 30, 1963, was 41,709. Therefore, the actual number of personnel employed in the foreign aid program has been reduced by 3,505 in one year. It should be noted that more than 17,000 personnel are foreign nationals being paid at pay rates current in the country where they work, which are usually much less than U.S. pay scales. Participant trainees are not paid wages or salaries; they are in no sense employees of the U.S. Government. They do, of course, receive living expenses, tuition, and so forth, while being trained.

The details of personnel are set forth in part 2 of the hearings on page 121.

Third. Page 16. The minority report states that 10 percent of the funds appropriated for any purpose may be used for other purposes.

This refers to the so-called transfer authority provided under section 610 of the authorizing legislation. This authority to transfer 10 percent of the funds appropriated from one funding category to another funding category may not be used for development loans, Alliance for Progress loans, or for administrative expenses. The authority may be used for other funding categories "whenever the President determines it to be necessary for the purposes of this act." This authority has been used this year to transfer funds to the military assistance program, primarily to meet requirements in southeast Asia.

Fourth. Page 16: The minority views state that the contingency fund may be used for any purpose authorized under the act.

As pointed out in the majority report, the contingency fund may only be used to meet urgent and unforeseen assistance needs that cannot be accurately defined in advance. It should be pointed out that the contingency fund may not be used directly for military assistance. It can, of course, be transferred to military

assistance under the authority of section 610.

Fifth. Page 16: The minority views state that military assistance has its own contingency fund in the amount of \$300 million.

This is not so. The statement refers to section 510 of the authorizing legislation which provides that the President, if he determines it to be vital to U.S. security, may use defense articles from existing stocks and defense services for the military assistance program. This special authority is limited to \$300 million. However, it is not a contingency fund as such, and the value of any goods and services used must be made up in the following year's appropriations. This authority has never been used, largely because of the problem of cutting into future years' appropriations.

Sixth. Page 16: The minority charges that the foreign aid program is "uncontrolled and uncontrollable," that appropriations can be justified for the construction of a dam in one country and used to build a bridge in another.

The foreign aid program is subject to congressional review and control. Each year the program must justify its fund requests by grant project and by anticipated levels of lending before four separate committees of the Congress. Congress has provided necessary flexibility in the foreign aid program so that it can respond to changing demands. The presentation to the Congress is illustrative to the extent that, legally, the Agency could justify money for a project and not go through with it. If a given project which has been included in the Agency's presentation turns out to be unnecessary, or if the recipient country is unwilling to undertake the necessary self-help measures, or if sufficient funds are not available, the Agency does not and should not initiate the project.

The facts are that virtually all of the projects and programs which are justified to the Congress by the Agency are, in fact, undertaken. Twice each year the Agency must report to the Congress under the provisions of section 634(d) of the authorizing legislation any major changes in its programs in each country and in each funding category.

Seventh. Page 16. The minority states that foreign aid programs are based on "conjecture and estimates of the wildest sort."

In fact, the aid program each fiscal year is built on rigorous analysis which begins about 18 months before the presentation is made and continues until each project is completed. This analysis is conducted in the field as well as in Washington. Decisions as to whether to proceed with activities depend on the importance of the activity to U.S. foreign policy, a continuing review as to the soundness of the activity, self-help, and other performance by the recipient country, and the availability of funds.

Eighth. Page 16. The minority implies that accurate estimates of unobligated funds for any fiscal year are not available until October of the following year.

It is true that fiscal year 1963 final exact figures on unobligated balances were published early in October. How-

ever, accurate preliminary estimates of final unobligated balances are available near the end of each fiscal year. The Agency has made a close and continuing analysis during fiscal year 1964 of unobligated balances. On June 19, they presented to the Appropriations Committee up-to-date estimates of what unobligated balances would be as of June 30. The total of such balances at that time was \$53.1 million for both military and economic programs. The actual unobligated balances could be somewhat less.

Ninth. Page 17. The minority views quote a variety of witnesses on the adequacy of funds provided in fiscal year 1964.

The minority notes the appropriation of \$3,000 million in fiscal year 1964 but does not show the total fund availability of \$3,488 million. The quotation of executive branch witnesses which then follow were, of course, made on the basis of total funds available in fiscal year 1964.

The statements quoted are somewhat out of context. For example, the rest of the testimony of Secretary Rusk taken from part I, page 276 is relevant. He continued in part:

This leaves us without leeway in two directions. One is, if we run into a very serious deterioration of a situation in particular areas, such as in the Far East where the attitudes of Peking are ominous and threatening. On the other hand, as I indicated in my statement, we have not tried to budget for all of the important opportunities which would be in front of us if things went, shall we say, even more favorably.

It is possible that on either side of this main highway we are talking about, we might have to seek additional assistance from the Congress.

Mr. Bell responded to this point—part II, page 17:

Mr. BELL. I think the funds made available by the Congress, including the carryovers, are permitting us to do a great many things and conduct a great many programs that are strongly in the U.S. interests, and have a major impact. We are very tight on funds in the military assistance program, and in the supporting assistance program. In both cases, we expect to draw on the contingency fund, as I indicated in my statement. We expect to have more projects completed and ready for funding which we will not be able to fund under the regular development loan appropriation.

Tenth. Page 18: The minority uses part of a colloquy to imply that there would be \$526.7 million more available in fiscal year 1965 than in fiscal year 1964.

This part of the report ignores a central point: Total availability in fiscal year 1964 was \$3,488 million. The estimate of fiscal year 1965 availability at that point was \$3,635 million—an increase of only \$147 million over 1964. The addition of the special Vietnam request raised the estimated fiscal year 1965 availability to \$3,760 million, and the difference to \$272 million between 1964 and 1965.

The paragraphs of Mr. Bell's statement immediately following the one quoted by Mr. PASSMAN explain the situation—part II, page 8:

That is exclusive of the social progress trust fund, for which we are not asking an appropriation this year. However, to that amount

must be added reappropriations and carryovers of nearly \$400 million, and estimated recoveries and reimbursements during this year of another \$220 million, so that our total funds available for programing in fiscal year 1964 are nearly \$3,500 million.

We do not expect to have unobligated funds of a similar magnitude at the end of this June to carry over into next year, and our total program for 1965 is only \$145 million larger than for the current year.

Mr. Bell also said at that point in the hearings—part II, page 46:

Mr. BELL. I think it is only fair, Mr. Chairman, to note the point about carryovers. The availability of funds this year for both economic and military is \$3,488,656,000.

The availability we anticipate for next year, including the new appropriations we have asked for and adding the estimated carryover, after recoveries, is \$3,635,100,000.

Eleventh. Page 19: The minority implies that other nations take our aid and buy gold.

This is wrong. Those nations responsible for most of the gold outflow listed, in fact, repaid more to the United States on past assistance than they received during this period.

The table updates by 6 months a similar table included in the Passman report last year. Secretary Rusk placed in the testimony—part I, page 281—comments on this earlier table. The figures have changed slightly, but the comments are still valid.

#### COMMENTS ON GOLD PURCHASES STATEMENT IN 1963 REPORT OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE

The 1963 report of the House Appropriations Subcommittee on Foreign Operations pointed out that 52 countries which received almost \$12 billion in foreign aid between January 1958 and June 1963 purchased \$6.8 billion of gold from the United States during that period. The report concludes that resources released by foreign aid, enabled these countries to buy \$6.8 billion of gold from the U.S. Treasury.

The facts are correct, but the conclusion is largely wrong.

The 12 of those countries which bought most of the gold—\$6.2 billion or 91 percent—actually returned to the United States \$400 million more repayments of past aid than the assistance they received during the period. These countries received nearly \$4 billion of assistance, two-thirds of it military, but repaid in principal and interest over \$4.3 billion to the United States during this period.

The 12 major purchasers of gold were Austria, Belgium-Luxembourg, Denmark, France, West Germany, Italy, Japan, Lebanon, Netherlands, Saudi Arabia, Spain, and the United Kingdom. It should be noted that none of these 12 countries have received AID assistance for a year or more and that military assistance has virtually ended to most of them.

Twelfth. Page 22: The minority states that, since April 6, funds have been deobligated and then reobligated for 236 projects.

The actual number is 228. Deobligation and reobligation normally occur in this period of the fiscal year. It would be equally true to say that funds have been deobligated and reobligated for 228 projects in the amount of \$50 million since the start of the fiscal year. Reobligation of deobligated funds is based on careful analysis of project funding re-

quirements. This analysis continues throughout the fiscal year. Generally, reobligations occur toward the end of this process near the end of the fiscal year. It should be noted that estimates of deobligated funds which will be available for reobligation are taken into account in preparation of the budget estimates and the request for new appropriations reduced accordingly. As required by law, reobligations of funds are for projects previously justified to the Congress and are reported to the Committees on Appropriations.

Thirteenth. Page 22: The minority points out that expenditures from economic and military assistance funds and Public Law 480 commodities will be made in a total of 99 countries and 9 territories during fiscal year 1965.

What the minority does not state is that new commitments under programs of economic assistance will take place in only 76 countries and approximately 90 percent of the funds will go to 25 key countries. The minority does not point out either that military assistance programs are planned for only 40 countries with additional small training programs in 13. Naturally, economic assistance and military assistance do not always go to the same countries. Emergency and relief programs under titles II and III of Public Law 480 go to many countries.

Fourteenth. Page 22: The minority uses a colloquy between Mr. RHODES and Mr. Bell to imply that only \$30 to \$50 million additional is needed for Vietnam.

This colloquy took place on April 22, 1964, relative to the President's request of January. It predates the events which led to the President's special message to Congress requesting an additional \$125 million for Vietnam.

This special request was sent to the Congress on May 18, following a special trip to Vietnam by Secretary McNamara.

Fifteenth. Page 22: The minority points out that Burma has declined an \$18 million supporting assistance grant.

The \$18 million grant, which was to fulfill a commitment made to the Burmese in 1959 by President Eisenhower, has not been accepted by the Burmese Government. Events in southeast Asia which led to the President's special request for additional assistance for Vietnam will require an intensified effort during fiscal year 1965 in that area of direct confrontation with the Communists. We expect that this \$18 million in supporting assistance funds will be needed during fiscal year 1965 to help support the defense of southeast Asia. By using supporting assistance funds there will be less demand on the contingency fund and, to the extent that the contingency fund is not used, money is returned to the Treasury.

Sixteenth. Page 22: The minority report comments on supporting assistance for Laos.

This paragraph is somewhat misleading without the context of other testimony on this point. A colloquy between Mr. Poats and Mr. PASSMAN from part II, page 435 follows:

Mr. PASSMAN. At page 8 there is a statement: "We also finance those documented Lao 'invisible' expenses for official education-

al, transportation, insurance, and medical costs abroad which the AID mission in Laos determines to be legitimate."

What kind of a program is that?

Mr. POATS. That is part of a program whose total effect is to finance the Lao Government in almost every aspect of its existence. One aspect is the invisible expenses, and so forth, that any government or economy has for the purposes mentioned here—educational, medical, travel, official expenses of embassies.

Mr. PASSMAN. How do you define "invisible"?

Mr. POATS. This is a term which distinguishes from visible imports; that is, goods. This covers services, in effect.

#### U.S. FINANCING OF EXPENSES FOR LAO EMBASSIES

Mr. PASSMAN. Is that financing actually the expenses of the Lao Embassies abroad?

Mr. POATS. It is the financing of expenses of Lao Embassies, other than in the Communist countries.

Seventeenth. Page 23: The minority attacks AID's operations with regard to financing of the Tachien Dam.

The \$40 million loan, repayable in Taiwan dollars, for the Tachien multipurpose dam was made by the Development Loan Fund prior to its incorporation into AID. When AID took over responsibility for the loan, it reviewed the project. That review called into question the benefit-cost ratio and reliability of the earlier estimates. As a result, negotiations with the Chinese Government were undertaken to revise and postpone the Tachien Dam project and to find alternative sources of power to the dam. Agreement was reached to build a thermal powerplant and a smaller hydroplant near the site of the proposed original dam. While the Chinese were reluctant to postpone the Tachien high dam, they did not object.

Economic assistance to Taiwan was coming to an end. Because AID had delayed the implementation of the \$40 million loan, it was agreed that this \$40 million loan for power development should not be subject to termination. Consequently, it was reserved until final plans for alternative power projects could be completed. Agreement has now been reached with the Chinese to proceed with the alternative proposal, and funds have been obligated.

These events were fully reported to the committee in the AID presentation for fiscal year 1964, page 503 in the presentation book for fiscal year 1965.

Eighteenth. Page 23: The minority attacks AID with regard to a \$20 million loan to the United Arab Republic which AID has not made.

The loan discussed was, and is, under consideration by AID. On page 804 of the hearing Mr. Macomber testified:

There are economic conditions important to this loan. We are not going to give this loan unless certain economic conditions are met.

This statement means that self-help and other requirements that the United States is requesting explain why there is no commitment to make the loan and why the negotiations are continuing.

AID would not make the loan in order to "reduce the amount of unobligated funds just prior to the end of the fiscal year," as implied in the report.

Nineteenth. Page 24: The minority states that new projects are begun without prior justification to Congress.

New projects are initiated in such cases where initiation of new projects is in the national interest and in accord with congressional criteria.

However, such projects are a small percentage of the total projects presented to the Congress. The need for such flexibility is authorized by law.

The Congress is informed of such changes. Although the 60 projects were not listed in the 1964 presentation, all of them are listed and fully described in the 1965 presentation to the Congress.

Twentieth. Page 24: The minority attacks AID for not sending Cambodia trainees home.

As indicated during the testimony, a decision was made by AID to continue support for training of students from Cambodia, although other aspects of the AID program to that country have been ended.

The major reason for the decision is that these students were already in the United States, pursuing a course of study at the time of the cancellation of aid to Cambodia. Sending them home without completing their prescribed courses, some of which will extend over several years, would have wasted the investment already made.

No new students have been brought to this country since the decision to terminate aid to Cambodia.

Twenty-first. Page 24: The minority states that a total appropriation of "\$4,802 million" would provide very adequately for programs covered by this bill.

The majority of the committee is recommending an appropriation of only \$3,739 million for the foreign aid program. The minority apparently considers the \$1,353 million limitation on operating and administrative expenses of the Ex-Im Bank as appropriations. Obviously, this is not an appropriation at all.

Mr. SCHWENGEL. Mr. Chairman, today we are faced with what seems to become a more bitter battle every year—the battle over foreign aid. Last year we witnessed a House in session at 7 a.m. to finish action on foreign aid appropriations.

It is remarkable and significant that we are over 5 months ahead of last year on appropriation bills in the House. There could be no clearer indictment of the failure of the Congress last year to do its work promptly and effectively.

The foreign aid bill we have this year seems to be a more realistic one. Despite several reservations and deep concerns I have over the administration of foreign aid and the policy that implements it, I, nevertheless, plan to vote for the bill.

From our own experience, from the ideas and the ideals we have received from others, we have learned that interdependence is the password today in world affairs. The days of a fortress America have long passed. What is important to us today is to have a world in which freedom can survive and in which it can be allowed to grow and blossom even more.

Economic viability—the economic well-being of a world community—is the best insurance policy in which this country can invest. The premium on that policy is foreign aid.

Certainly we should insist that our investment is worth every dollar. We must seek full value, but a cost-benefit ratio concept cannot be the sole guiding force behind our foreign aid program.

We are in these programs because they are right. This is the important thing. As a distinguished Latin-American visitor said to me:

The foundation, the guidelines of U.S. foreign aid to other countries \* \* \* cannot be exclusively on an economic basis. Foreign aid cannot be guided by a banking concept.

I wonder, when we weigh and measure every dollar of foreign aid, whether we realize that our own United States was the great recipient of foreign aid in the 18th and 19th centuries. During the Revolutionary War and thereafter foreign capital played a key role in our economic development. The Federal Government, State governments, municipalities and private enterprise all borrowed heavily in Europe. The construction of canals and railroads, as well as the development of industry, relied heavily on foreign funds. In 1854 the Secretary of the Treasury estimated that the aggregate amount of Federal, State, county, railroad, and canal bonds, stocks, et cetera, held by foreigners amounted to \$184,184,174 out of a total of \$1,178,567,882. Of these foreign lenders England was by far the most important, followed by Holland and Germany. Furthermore, English merchants advanced credit to American importers on liberal terms and British capital helped develop many a Western mine in the days of the mining frontier.

The European investor in the 19th century America received no guarantees on his investment. Indeed, he was sometimes victimized by fraudulent promoters and defaulting state governments. But he saw the promise of America; he contributed to American prosperity; and he realized a substantial profit thereby. Perhaps there is a lesson in this experience that we can apply today.

Nor was the foreign aid we received confined to money. Instead, the greatest contribution we received from abroad was people, over 37 million from 1820 to 1927. This peaceful transfer of populations, the greatest mass movement in history, brought the skill and knowledge of Old World methods to the ingenuity, resourcefulness, and ambition of the native workingman. Their merger produced the greatest economy on earth. America could not be what she is today were it not for the skilled and unskilled millions who poured in from abroad. Who built our railroads and our cities, mined our coal, tilled our soil and contributed to the special flavor of America. But all this would not have been possible if the immigrants had flooded into a land that was not free. It was freedom, as the first prerequisite, that made America's growth possible.

I also wonder whether, in our dissatisfaction with various aspects of foreign aid, we do not forget about its positive side. Do we think sufficiently of the schools, hospitals, or roads it has built, of the technicians it has trained, of the people to whom it has given hope? Do we think of the more than 50,000 foreign students brought to this country under Government programs alone since 1949, who go back with generally favorable impressions of the United States, and become our staunch advocates among the leadership groups in their countries? Do we think of the Peace Corps, living with the people they work among, and by all reports winning new friends and new respect for the United States? All this is foreign aid, in one form or another, after all. And what of those dedicated members of our Foreign Service who have gone far beyond the call of duty, setting up schools, training local personnel, and actively participating in the community life around them? We drain the good from all these activities, it seems to me, when we haggle so loudly on foreign aid.

Of course we have every right to encourage freedom among the recipients of our aid today. Experience is the greatest teacher, and we know from our own experience that freedom is the precondition of growth. But you cannot have freedom without restraint, and restraint is rooted in the moral teachings of religion. In short, religion and morality are indispensable to free political development, and the United States need not apologize to anyone for pointing out these home truths. Nor need we apologize for trying to develop freedom in foreign lands.

If any apologies are due, it is when we fall short of the ideals we espouse. As Americans, it is our job to inform and instruct by example. If we would impress on the emerging countries the importance of religion and morality to free political development, we must practice genuine religion and morality at home. If we wish to encourage democracy abroad, we must strive to perfect democracy at home. We must seek a deeper understanding of our own philosophy, if we aspire to lead the nations of Asia, Africa, and Latin America on the same path.

It is this very understanding which seems so sadly lacking in American foreign policy today. We have been floundering on a sea of pragmatism, with no sure principles to guide our action. Without clearly conceived national goals, our policies have been inconsistent, inadequate, our purpose unsure. Thus we can support a military coup in Vietnam while denouncing one in the Dominican Republic. Few would say that the Alliance for Progress is an unqualified success. We promise to keep our forces in Europe, but we stage exercise "big lift" which gives a contrary impression, and close out a base in Spain. Our foreign policy lacks conviction. There seems to be no long-range plan. We are heading for a dangerous crisis, a crisis of disillusionment. Should that crisis come upon us, it is likely to bring

a retrenchment of American commitments all around the world. This will leave a vacuum into which Communist power will surely flow, and the forces that undermine freedom will be given a free hand.

But before the United States can follow a firm, consistent, purposeful foreign policy, it must define its goals. It will no longer do simply to be against something we do not like; rather we must clearly formulate and articulate what we are for. It is time for a clear-cut statement, in terms the American people can understand, of what the United States stands for in world affairs, and why we stand for it. Such a statement would open the lines of communication between the people and the Government. It could form the basis of a vast popular dialog in which the American people could clarify their beliefs respecting our foreign policy. Fortified with new support and understanding, our Government could act with a surer hand on the world scene.

An attempt to define national goals has been made before. President Eisenhower appointed a commission for that purpose. There is much in that report with which I could agree, but in some respects I believe it misses the mark. For instance, it states that:

The basic foreign policy of the United States should be the preservation of its own independence and free institutions. Our position before the world should be neither defensive nor belligerent.

To my way of thinking, preservation of our own independence is not one of our goals abroad. Rather our goal should be the gradual extension of freedom. If we bring that about our own survival is assured, and so is world peace. Also, it goes without saying that our position should be neither defensive nor belligerent. Such a statement contributes little.

May I therefore suggest, with no intention to be presumptuous, but as an American concerned with the future of his country, those principles I believe the United States should stand for in the world: First, we must stand for freedom. That means that the United States must everywhere associate itself with those programs which have as their object the extension of basic freedoms. In my conception there are five freedoms, comprising the famous four freedoms—freedom of speech and expression, freedom of religion, freedom from fear, and freedom from want, plus what may be called the freedom of movement. Men and goods, ideas, and ideals should be free to move across national boundaries. Communism professes to be for freedom from want only. It responds to none of the basic human aspirations beyond the material. Since it values neither religion, morality, nor the self-restraint which are the hallmarks of a free society, freedom cannot grow out of it. But the United States undergirds freedom around the world, and we must make it unequivocally clear that we support man's eternal quest for freedom.

Second, we must make it plain that we will resist, with all our powers of reason and judgment, every attempt to defeat

or thwart the growth of these freedoms. Each foreign aid program has been an exercise of our reason and judgment aimed at this goal, although too often that end has been obscured. Indeed our entire foreign policy has been directed, or should have been directed, toward strengthening and extending the area of freedom, without resort to force.

Third, we must make it plain, beyond peradventure of doubt, that if the adversaries of freedom will not permit us to exercise our reason and judgment in its defense, we will resist with force. This is not warmongering. It is a simple statement of freedom's right to survive. That right cannot be qualified.

If we set out our goals in this fashion, it seems to me that the results would be salutary both at home and abroad. I believe that the American people would respond to the linking of aid and freedom in a way in which they have not responded in the past. People cannot get excited simply by being told they must support development. But they can get excited when they understand that the basic purpose of foreign aid is to support liberty. If Americans are given a definition of our foreign policy goals which they can understand, they will respond with overwhelming support for what needs to be done.

But it is not only at home that a broad discussion, debate, and new formulation of our goals is desirable. It would be most welcome abroad, too, where Lord knows there is ample misunderstanding of America's purposes, some of it willful. We need to allay suspicion of our motives, and again, a simple but firm declaration of our commitment to freedom, which is after all, the desire of the vast majority of mankind, would really help to clear the air. With freedom first in our order of priorities, I believe we can regain the moral initiative, both at home and abroad, which will enable us to move forward with our great world task of reconstruction and development.

Mr. GARY. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. ROGERS].

(Mr. ROGERS of Florida asked and was given permission to speak out of order).

Mr. ROGERS of Florida. Mr. Chairman, Fidel Castro's sister has defected to the free world. Yesterday in Mexico, Juanita Castro not only made known her flight from the Communist regime her brothers have instituted in Cuba, but condemned them for betraying the Cuban revolution and handing Cuba over to the Communists.

Juanita Castro's remarks assailing Fidel and Raul Castro, as well as her defection, represent a moral victory for the United States and the free world. Furthermore, her condemnation of her brothers' Communist ties now presents the United States with an excellent opportunity to influence world opinion.

This opportunity is particularly timely in light of the anti-U.S. propaganda which the Castro regime is making with the American student visitors now touring Cuba.

Here is a set of circumstances which requires quick action, and presents this

Nation with a chance to use its initiative. I urge that immediate steps be taken to arrange for Juanita Castro to tour the United States and see firsthand the operations of a democratic society, to note the contrast between democracy and communism, and to take her observations before the people of Latin America in a subsequent visit.

I have contacted the U.S. Information Agency to urge that an immediate effort be made to take advantage of this dramatic way to demonstrate the failures of communism in Cuba and the strength of democracy.

Mr. RHODES of Arizona. Mr. Chairman, I yield myself 10 minutes.

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, I am going to be very brief, because the hour is late.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and fifteen Members are present, a quorum.

The gentleman from Arizona [Mr. RHODES] is recognized.

Mr. RHODES of Arizona. Mr. Chairman, the bill which you have before you today is a high bill. It is a bill, going into the appropriations process, which is at least \$300 million higher than was the foreign aid bill at the comparable period last year. So let us have done with talk of this being an economical bill. Let us not say this is a low bill. Let us not say we are being penurious in this program. Let us recognize the facts of life, that this is a high bill. It is a bill \$300 million at least higher than that of last year.

My good friend from Mississippi has an amendment which is unique, as far as this program is concerned. I understand it has worked and worked well in other programs and like the gentleman from Michigan, I sincerely hope that it will be adopted, and that it will work well. I shall do what I can to make sure that it stays in conference, if it remains in this bill. But I have very serious doubts whether it will work in this program because of the type of program this is, not because of any defect in the gentleman's amendment.

As we all know this is a program which is illustrative in nature. There is no line item appropriation for foreign aid. As we have realized before you can justify funds for construction of a dam in Turkey and instead use it to build a bridge in Iran. Because of the very nature of the program and the fact that the money is appropriated for very broad purposes I am at a loss to know how the administration would be able to administer the amendment of the gentleman from Mississippi. As I understand it, it would be necessary for the administration to divide the amount appropriated for each broad purpose into moieties to be spent by quarters and deduct from each one amount which would add up to \$300 million for fiscal 1965. If the amount remaining was not sufficient to

finance the activities of the department for a particular quarter then the department would be able to go to the Bureau of the Budget and ask for the release of all or any part of the \$300 million which is to be withheld from immediate availability, as a result of the gentleman's amendment.

Mr. Chairman, it appears to me that since the purposes are so broad and so general there would be no difficulty whatsoever for the administration to make a very good case for release of some of the money. Either, it would not be difficult or it would be impossible. I do not know which will be the situation. I suppose that might depend upon the Bureau of the Budget.

Mr. Chairman, my only purpose in making these remarks is to question the efficacy of the amendment as it applies to this particular program.

I have all the respect in the world for the gentleman from Mississippi and all of the admiration in the world for his ability as a legislator. Therefore, I certainly am glad now to yield to the distinguished gentleman for any further explanation which he would care to offer.

Mr. WHITTEN. I thank the gentleman from Arizona for yielding. May I say that I appreciate the kind remarks of my colleague, the gentleman from Arizona [Mr. RHODES]. Certainly, it has been my pleasure to work with him through the years and I return the compliment to him insofar as application, ability, and sincerity in his work are concerned.

May I say, if the gentleman will recall, this amendment was voted on after other amendments to cut the overall amount had failed. Only then did I insist upon voting on the amendment.

What the amendment does, in effect, is direct that of the items which have been approved by the Committee for Economic Assistance, the executive department would be directed by this provision to go back to those amounts and pull out \$300 million from the totals which appear earlier in that particular section and put it on the shelf, so to speak. Then they would allocate, under existing law, the remaining amounts in those items on a quarterly basis, as is provided in section 665 of title 31, United States Code.

Then they would go from that point and the provisions of the antideficiency statute would apply. Again, the President would have to determine that the new projects which might be financed from the \$300 million not only are in the public interest, but that there be a separate determination that the funds already in the hands of the Economic Assistance group are not enough to meet that which he then determines necessary. So with that in mind, I believe it meets many objections that I have heard through the years here not only from the gentleman from Arizona [Mr. RHODES] but others and in fact from all Members who have spoken in opposition to this bill. Each year I have heard complaints that this Agency has obligated and deobligated and that just before the 1st of July of each year they had obligated practically everything in sight, only to

deobligate once the new fiscal year started.

Therefore, I believe this \$300 million would obviate that kind of operation and, at least, would bring the Bureau of the Budget into the picture as the arm of the President in passing judgment prior to the use of any of this \$300 million.

Mr. RHODES of Arizona. Would the gentleman from Mississippi permit me to propound a specific question? The category of development loans is to receive \$782.2 million under the bill which we now have before us.

Would it be possible for the administration to take the entire \$300 million out of that one category, or is it necessary to divide it on a pro rata basis among the various categories?

Mr. WHITTEN. I would have to say that insofar as the wording of the provision is concerned, it makes no effort to tie it down on a pro rata basis or other basis. Presumably it would be done in the best judgment of the fellow doing the job, but I felt that we would get into too much detail if we were going to be able to get it adopted.

Mr. RHODES of Arizona. Would it be equally correct if the \$300 million is all taken away from development loans, and if it became the objective of the administration later to beef up the category known as development grants, to have all of the \$300 million then transferred into development grants?

Mr. WHITTEN. If the gentleman will yield, may I say that my answer up to this point as to the meaning of the section and the requirements of the section—

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

Mr. WHITTEN. Continuing my answer, if I may, I was referring to the requirements in the section mentioned, which is on page 4. There is nothing in there to require that this be prorated; however, the Administrator or the executive department having justified in the preceding item these items in the amount specified, I would presume anybody following this would, in effect, prorate. But I would also say that under no circumstances would I feel there would be any basis to use \$300 million to exceed the amount fixed here in the first part of the act unless it is needed. The full amount of money is available to the President on two determinations: One, is it necessary to spend it in the national interest and, two, funds are not available from other sources.

Mr. RHODES of Arizona. Does the gentleman think that under no circumstances would more money be obligated in this next fiscal year in any one category than the amount provided in the bill?

Mr. WHITTEN. Yes. May I say the point the gentleman makes about the broad authority: he is more familiar with that than I am, and he would be a better judge of what the basic law

might permit. But I have no such intention.

Mr. RHODES of Arizona. Mr. Chairman, the minority will offer certain amendments at the proper time. Let me state that in every instance the amendments which the minority will offer will exceed the amount of money which was in the foreign aid appropriation bill for fiscal year 1964. We have not attempted to ruin the program. We are attempting to help it. We have been told time after time by witnesses before the committee that the program of last year was an effective program; that enough money was appropriated for them to do the job which they had to do, with the sole exception of military assistance. I think it has been stated on this floor many times we were exceedingly disappointed with the administration for coming before us and asking for a military assistance appropriation which they stated at the time was too little and would not do the job. I hope that this type of budgeting is not followed by this administration or any other administration in the future. It is certainly within the rights of Congress to expect that when a budget come up from downtown, the executive department, that the amount recommended is the best guess of the amount that they can use in the next fiscal year.

To have them come up here and say they are asking for  $x$  amount, but they really feel the amount should be  $x$  plus three, is to me not playing fair with the Congress.

I do not think, Mr. Chairman, that in view of the money which we are voting here, in view of the other spigots of foreign aid, and bear in mind that there are 29-some spigots, in view of the amount of money that is being spread throughout the world, we are being anything but generous with our foreign aid. I think we are doing the job which must be done, to use foreign aid as an adjunct of our foreign policy, if, indeed, the administration desires to do so. So I do not think it is necessary for any Member of the House or any Member of the other body, and particularly any member of the subcommittee or the full Committee on Appropriations, to feel other than that he has done an adequate job. In fact, as I said, many of us think it is much too adequate, about \$300 million too adequate. We will try at the proper time to reduce the sums which will be appropriated to a level which we feel is about right.

Mr. GARY. Mr. Chairman, we have no further speakers except to close debate.

Mr. RHODES of Arizona. Mr. Chairman, I yield to the gentleman from Louisiana [Mr. PASSMAN], the chairman of the subcommittee, 1 hour.

Mr. PASSMAN. Happy fiscal New Year's Eve, Mr. Chairman and my colleagues.

This is New Year's Eve as it applies to our fiscal years. Today we pull the curtain down on another fiscal year with a deficit no doubt in excess of \$7 billion. This deficit condition has been repeated about 29 times out of the past 34 years. In the period of our greatest prosperity

our budget deficits have been, and are, the largest.

Tomorrow we start a new fiscal year, fiscal 1965, and it is already acknowledged that we will again experience a huge deficit.

As I speak to you this afternoon, may I remind you that our public debt, including both borrowed money and statutory obligations, now exceeds \$1,056 billion. Of this sum, \$310 billion of the obligation is borrowed money, and some 108 statutes call for a payout of funds in subsequent years for services previously rendered, in the amount of \$746 billion.

Mr. Chairman, I surely am not "holier than thou" and certainly not wiser, but I have practically lived with this worldwide foreign aid program for 10 years, weekdays, holidays, Sundays, and many nights. I have tried diligently to learn as much about it as possible.

And I have endeavored to keep the Members cognizant of some of the shenanigans practiced by the AID agency, by, among other means, keeping your desks loaded with verified pertinent information.

I have also tried on many occasions to yield to several of our Presidents, but I have found that they have limited knowledge of many of the weaknesses of the program. On one occasion, for example, I spent a good part of an afternoon with one of our Presidents and 12 of the top leaders of our Government, from both the legislative and executive branches. When the meeting ended, the President reluctantly admitted that he had been misinformed by his subordinates, and that year we cut the foreign aid appropriation bill by \$1 billion and still left the program overfunded.

That kind of situation has been true with relation to the Presidents up to and including the present Chief Executive. The program is indeed a "monster" of the State Department, and not a program of the President of the United States.

Let me say, Mr. Chairman, that most of the members of the subcommittee who attended the hearings the longest are today most assuredly supporting my position the strongest.

And, I state to you now, without fear of successful contradiction, that if the House should refuse to ever again appropriate a single dollar for foreign aid, the unexpended funds now on hand to the credit of the program could discharge every legal commitment we have outstanding for foreign aid.

So it is really a question of how much money you want to borrow and give away in fiscal year 1965.

May I repeat, if you never appropriated another dollar for foreign aid, every legal commitment we have outstanding in the program could be met out of the unliquidated funds presently on hand.

May I also state, most emphatically, that the request before you is not a "bare-bones" figure by any stretch of the imagination.

Title I only of this bill, as reported to the House, calls for \$3,316,572,400. Contrast this sum, if you will, with the amount in the bill that the committee reported to the House and which you ap-

proved last year for comparable items. The last House bill at this point for these purposes was \$2,666,700,000.

Therefore, the committee is asking you today to appropriate new funds for title I only in the amount of \$649,872,400 more than the House approved last year at this point, or, in round numbers, \$650 million more than you were asked to approve last year at this point.

And this fact does not take into account the large increases in title II appropriations or increases in many of the other agencies that distribute foreign aid funds.

You hear a lot of talk about title I, but they do not get into title II, and they do not get into title III and into the other spigots and the other agencies that are now dispensing foreign aid.

Mr. Chairman, this worldwide giveaway program is now to some extent being disbursed by about 26 agencies, and the total cost scattered throughout these agencies calls for foreign aid—in fiscal year 1965 in excess of \$7 billion—and not \$3.3 billion, as you have been told today.

Add to this amount the interest that we will pay in fiscal 1965 on what we have borrowed to give away, and the total cost will be in excess of \$10 billion in fiscal year 1965.

Mr. Chairman, it is fantastic, but true, that our government will be disbursing funds during fiscal 1965 in 99 nations and 9 territories.

This is getting close to an aid program in every nation on the face of the earth—including Communist, pro-Communist, and so-called "neutralist" countries.

Actually, is this the kind of "monster" that Congress desired to create?

The program cries out for correction. It cries out for control.

I have not misled the Members of the House in the past. I will not mislead you today. And, I will not mislead you in the future.

Capitulation to the wishes and whims of the 71,416 people, including participants, who are on the payroll of this "monster" is something I cannot do.

May I state further that this uncontrolled program has gone so far until now it has contract personnel from, or with, trade schools, business schools, auditing firms, teaching firms, colleges, and universities in 46 of the 50 States.

It is estimated that it is costing close to about three-fourths of a billion dollars annually to pay the salaries, traveling and related expenses of these 71,416 personnel, hopping all over the face of the earth. Is that what you want?

Mr. Chairman, should we not take control of this program? It is probably looser, wilder, more extravagant this year than in practically any year since I have dealt with this bill as chairman of the subcommittee.

I respectfully refer the Members to page 20 of the minority views in the committee report. This information is current, actual, and factual.

There are 57 countries included in the table on page 20. They have received \$12,436,400,000 in military and economic assistance from the United States during the period covered by this table. During

the same time—from January 1, 1958, through December 31, 1963—these 57 countries purchased \$6,977 million of our rapidly diminishing gold reserves. That is nearly \$7 billion of our gold to 57 aid-recipient nations in 6 years. Is that kind of situation what you want?

And, how about the balance-of-payments situation? It is a frightening story.

Fool me once, shame on you; fool me twice, shame on me.

The AID people have put out propaganda across the Nation that 80 percent of all the money for procurement in the program is spent here in America.

Hypothetically, let us say General Motors ships out a shipload of trucks. When that shipload of trucks goes out, does the invoice go to the country receiving the gift? No. It goes down to the U.S. Treasury. It is paid out of the American taxpayers' till, and not by the recipient nation.

So when you do that, when you credit to the recipient country \$3 by which they can requisition what they would normally purchase, in a great many instances that act releases what they earn from exports, to buy our gold and to speculate.

If what the AID people advocate in this myth and misrepresentation—that 80 percent of the money is spent in America—is the case, then let us triple this program, and then really have some prosperity.

But, you know and I know that when we give money away it is a one-way street.

Now, let us take a look at the international organizations, which are getting bigger and bigger all the time. The International Development Association, for example, is a giveaway program. We put up 43 percent of the money and other part I countries put up 57 percent. However, 13 of them are getting more direct aid from us than they are contributing to IDA. If you will look at the record, you will find we are literally contributing, directly and indirectly, about 96 percent of the total. These things are not loans. They are credits, which is the designation Secretary Dillon gives to them. What countries have credit? India, for one. Maybe we give them \$600 million out of bilateral funds and IDA comes along and gives them a \$150 million credit. How is it handled? The maximum is 50 years and no interest, with a three-quarters of 1 percent service charge and 10-year grace period before anything is paid back; and then it will be 1 percent a year on the principal.

Let us also look at the Inter-American Development Bank, in title II of the bill. Last year we appropriated \$50 million for the IDB. This year the bill calls for more than \$205 million.

Mr. Chairman, how wild is this program? Everything is on an illustrative basis. AID can spend the money wherever they want for whatever they want. They can testify for funds for a highway in Brazil and can take that money and build a brick building in Algeria. Flexibility? Yes. They can testify for funds for 140 projects in Argentina and can vacate every one of those projects

and spend every dime of the money in India. Is that what you want?

The foreign aid allocations are made on a political basis and made to nations whether they need the money or not.

Of course most foreign countries will take our aid. I talked to one of the ministers out in Lebanon and inquired of him as follows, and I paraphrase:

Will you tell me, Mr. Minister, why my country, which has balanced its budget only a few times in the last 30 years, which has chronic inflation, a dollar steadily losing its purchasing power, and owes more money than all the rest of the governments in the world combined, should continue to send your country millions of dollars a year?

The Minister smiled as he replied:

I know of no reason why you should, but if you are foolish enough to do it, of course we shall accept it.

Lebanon received \$88 million, \$77 million of it in outright grants.

In fiscal 1965 our Government will disburse funds in 99 nations and 9 territories. The prime "sub" and related projects are in excess of 4,000.

How are you going to examine a program when there are 4,000 projects in 99 nations and 9 territories?

Then, when you get into the bill itself, they have got it cut up into many different captions, to further confuse the issues.

During the first 9 years it was my privilege to serve as chairman of the subcommittee, the Congress reduced the several Presidents' requests by more than \$8 billion below the budget estimates. But, even so, we gave to AID so much money that every time they needed \$1 to pay for something they obligated \$1.12. In the military every time they needed \$1 to pay for something they obligated \$1.28.

There is admitted overfunding of the cost of projects of approximately \$3 billion in 9 years.

And the AID people have admitted that they are funding projects 8, 10, and 12 years in advance of the completion date. They are building in 10-percent contingencies in practically every development credit project.

Also, the abuses are so rampant that there are tens of millions of dollars carried in an obligated status for projects long since completed.

Since April 10, 1964, AID deobligated and reobligated funds from 236 projects totaling \$50,065,000. If we could put a squeezeout on the remainder of the some 4,000 projects and related projects it might well be that out of the \$7 billion in unliquidated funds \$1 billion or more would be totally unencumbered.

Mr. Chairman, let me give you an example of just how gullible we are. Let us consider the Inter-American Development Bank. It is not under our control; we have one board member.

I shall never forget when we brought the bill out supporting the full amount to set up another "window" in this Bank. And when we appropriated the money, probably before the Bank had negotiated a loan, certainly before they had collected one penny of interest, they were pawing to get more of this money. So, they had a little "clambake" down in

Rio that lasted for 6 days. They spent \$143,358; \$17,745 for representation allowance.

In 1962 they pulled another little party down in Buenos Aires and they spent \$207,501 there.

In 1963 they pulled another one in Caracas, and they spent \$201,624 in 1 week, entertaining each other.

Mr. Chairman, Assistant Secretary of State Bullock submitted some DLF telephone calls. He stated and I paraphrase:

Attached here for your signature are five DLF toll calls on the following loans: India, Tunisia, Ecuador, Argentina.

Then there is a little note.

Regarding four Pakistan loans just sent to you, Mr. Bell wishes to have these loans approved prior to your appearance before the Passman committee tomorrow.

Now, let us go into the Tunisian matter. If you do not think you are being taken for a buggy ride with a bare axle, listen to this: On November 27, 1962, AID credited Tunisia with \$10 million in commodity assistance. On June 20, 1963, with a huge unobligated balance, AID started allocating funds left and right. So, they allocated another \$15 million to Tunisia. Then in May, 1964, they allocated another \$10 million to Tunisia.

Now, what are the facts? Thirty days ago there was in excess of \$3 million of the 1962 money still on hand, untouched. All of the fiscal year 1963, \$15 million was untouched, and the \$10 million that was allocated for them the other day also is untouched.

Mr. Chairman, in March our public debt exceeded by about \$25 billion the combined public debts of all of the other nations of the world.

Ways and Means Committee Chairman MILLS stood in the well of this House a few days ago and pleaded with the Members to raise the debt ceiling. Did he not state forthrightly that the blame for this condition is, of course, on the Congress, because we continue appropriating money and borrowing money and spending it and obligating it so that it becomes necessary to ask that the debt limit be raised? That kind of exercise in futility is becoming just about as regular as Members go after their pay checks.

The practice every year is to collect what we can, spend all we can borrow, and keep pushing the debt ceiling up.

Mr. Chairman, I shake in my boots when I think of the insults that our great Nation takes from some of the countries scattered around the world.

Egypt at one time said, "Get out." We suspended the program out there for 2 or 3 years, but we did not stop the funds.

Syria at one time said, "We have had enough; get out."

Mr. Chairman, I was out there a few years ago and a consul for them said: "If you will be nice and go with me we might start back receiving your aid."

I said: "Why do you not get a ticket and go home?"

Now let us look at Portugal. They said: "You are not going to wreck our coun-

try; get out. We like how we are getting along."

They would not accept our technical aid.

Now, Mr. Chairman, let us consider Cambodia. They said: "Get out; we do not want it. If you do not get out, we will throw you out."

Let us take Indonesia and Sukarno. He told us along about April: "Go to hell with your aid. We do not need it."

About 3 weeks later he said again, "Go to hell." I asked the AID people why they did not get out and they replied, "Oh, it might create an incident." I asked one of them how stupid could we be? He said: "You know Sukarno lives a fast life. He may die, and if he does, we might get somebody friendly."

Let us take Burma. We poured hundreds of millions of dollars into Burma. In this bill you have some \$18 million for one item, and they have no use for it. They say: "We do not want it, we are not going to accept it. Our philosophy and yours are not compatible, we will not take it."

Let us consider another item. That country said: "We do not expect aid, but we will accept it if you will let us do the pricing."

We said, "That is wonderful." So we gave them \$40 million worth of our aid.

"What price are you going to fix on it?" we asked.

"About 5 percent of what it cost you, around \$2 million," they said.

"That is wonderful," we said.

"We want you to take the \$2 million in local currency," they said.

We said, "That is all right, too."

They said, "Let us issue a joint statement. We have made ourselves a party to it."

They still owe us most of the money, even though it is in local currency.

I doubt that many Members of Congress realize that in connection with many of the aid programs they have blank checks. They go out, and they obligate and they spend and they draw checks.

Do not let anybody tell you that they have an empty pipeline. Do not let them tell you, unless you want to believe it, that the unobligated money is down to nothing.

We asked them, "What are the unobligated funds now?"

"We cannot tell you," they said. "We are waiting for another audit."

Later on we asked them the same question, and they told us the same thing.

We asked them in September, last year, and they said, "It will be October before we can tell you."

But, here we are in June, and they can tell you, "We have no money on hand."

However, if you look at the hearings they said, "It is going to be October before we can tell you."

Mr. Chairman, the AID directors come and go. It has reached the point where no outstanding American businessman will accept this position. I think 14 turned it down in 1 year.

They called in an Ambassador, Mr. Riddleberger, but he came back and said, "Get me out of this."

They brought in another one, Mr. Labouisse, an Ambassador. He stayed a little while, and then said, "Get me out of here," and they went back to the field.

Now, we have Mr. Bell, and a nice fellow he is. I understand that maybe his time is now about up, and that he is possibly going to be an AID chief in one of the countries, maybe South Vietnam.

They come and go, and the tenure is about 16 months on the average.

They have changed directors so often that I cannot keep up with them.

I questioned one of the regional directors, one time, and he said, "I do not know, sir."

I asked him about something else. "I do not know, sir," he said.

I asked, "Do you know anything about how we justify the projects?"

"No, sir; I do not know," he said.

The situation was so absurd that I said, "Off the record."

Then I told him: "I am going to ask questions, and I am going to give you the correct answers. I am going to go back on the record, and you give me my answers as though they were yours, and I will cover up for you."

That was to keep him from being embarrassed.

I asked the AID Comptroller a question 2 or 3 years ago.

He said, "We will get that, and we will have the answer tomorrow."

So the AID called the Library of Congress and asked them to come to their rescue.

The Library of Congress called me.

I said, "Yes, I know the answer." I gave them the answer.

The Library of Congress called the AID people back. The following day they gave me my answer.

That is how cooperative they are.

Mr. Chairman, my position on this bill is the same as it has always been, and it certainly is not to destroy the program.

Now, may I quote a few statements of some of the outstanding Members of this House:

[From the CONGRESSIONAL RECORD—Sept. 20, 1962, p. 19046]

Mr. GARY. Mr. Chairman, as I stated just a short time ago in paying tribute to my good friend, the gentleman from New York [Mr. TABER], I have been associated with this program since its inception, and we have been fighting inefficiency and waste every year. This cut in the foreign aid program is nothing new. We have cut it every year, and every year we have been told that we were wrecking the program. Well, now, we have wrecked it about 10 or 15 times, but it is still going stronger today than ever before.

Mr. Chairman, permit me to say that we have made some deep cuts. We have done so because we believe that they are justified. We believe that there is waste in the program. But I feel that our subcommittee under the able leadership of our chairman, the gentleman from Louisiana [Mr. PASSMAN], has brought to the House a fair, just, reasonable, and sane bill. I believe that we can carry on an adequate program of foreign aid under it.

[From the CONGRESSIONAL RECORD, Sept. 5, 1961, p. 17017]

Mr. GARY. Mr. Chairman, I want to say this is a difficult bill to handle. I had the

privilege of handling it as chairman for 4 years. We have been told, to my certain knowledge, every year for the past 10 years when we cut this bill, that we were wrecking the program. Yet, during the 13 years of the foreign aid program, we have succeeded in spending \$106 billion and the program is still going strong. I think you will agree that we have not at any time wrecked this program by the cuts that have been made by the Congress upon the recommendation of our committee.

In addition to that, notwithstanding the cuts we have made, we have had the Comptroller General of the United States appear before our committee time and again, and the Comptroller General is reviewing these programs all over the world and is auditing the accounts, and his statement time and again before our committee has been that the greatest trouble with the program has been that they have had too much money to spend.

[From the CONGRESSIONAL RECORD, June 17, 1960, p. 12106]

Mr. GARY. In the last 25 years since 1935 we have balanced the budget only five times—five times in 25 years. We have had a deficit in every year except five. Let us see what the figures are today. For 1960 the expenditures are \$77 billion. The national debt as of last Monday, June 13, was \$289,300 million.

Do you think we can keep that up for 25 or 50 years? I do not think we can. The time has come when we must begin to consider these facts. One thing is absolutely certain—a bankrupt nation cannot defend itself. And let me give you one other figure here. Already so far this year we are \$4,772,354,000 over the receipts. That is, our expenditures for the 11 months and 13 days of the present fiscal year exceed our receipts by \$4,772 million. How can we keep that up?

We have got to stop and consider these programs in the light of our fiscal situation.

[From the CONGRESSIONAL RECORD, Oct. 6, 1962, p. 21503]

Mr. MAHON. If the gentleman would yield further, I wish to commend the gentleman from Louisiana for the magnificent job which he has done on this bill. I think the gentleman has done as good or a better job this year than in previous years. He has performed a service to the country and I support him. I am glad that the reductions were made.

Mr. PASSMAN. I thank the gentleman.

Mr. MAHON. Had the reductions not been made, I do not think I could have voted for this bill.

Let us continue, quoting now the gentleman from Georgia, [Mr. FLYNT]:

[From the CONGRESSIONAL RECORD, July 11, 1956, p. 11199]

With reference to the foreign aid program "I have opposed it consistently on each rollcall vote since I have been in Congress. \* \* \* Mr. Chairman, my study of this subject has truly convinced me of this: that our position among the nations of the world is not being strengthened and cannot be strengthened by an annual appropriation of \$3 or more billions for foreign aid, or mutual security. Our actual security is possibly not one bit stronger because of mutual security expenditures than it was 10 years ago. We can never strengthen our position by this poorly administered mutual security program."

Another year, the gentleman from Georgia [Mr. FLYNT] offered an amendment to the foreign-aid appropriation bill providing that no part of the appropriation could be spent until after our budget was balanced.

He explained the purposes of his

amendment in this manner—and I quote from page 13254 of the CONGRESSIONAL RECORD for July 28, 1959:

Mr. Chairman, this amendment is proposed and offered for two purposes:

First. To write into law that the mutual security program shall not be paid for by deficit financing; and

Second. To make another genuine attempt to balance our national budget, bring an end to deficit financing and make some payments on the existing national debt.

As chairman of the subcommittee, I was compelled to oppose this amendment. But I would say now that if the gentleman from Georgia should offer a similar amendment to the bill now under consideration, I would certainly support it.

And now, to quote the gentleman from Mississippi [Mr. WHITTEN].

The gentleman from Mississippi [Mr. WHITTEN], the distinguished chairman of the subcommittee handling the appropriations for the Department of Agriculture and related agencies, has deplored the effects of the foreign-aid program on American agriculture. He has shown how oversea production in competition with U.S. production is encouraged by investment surveys, dollar loans, local currency loans, investment guarantees, and by other means, through foreign aid.

In this connection, I shall quote now only one paragraph from Report No. 1387, by the gentleman from Mississippi [Mr. WHITTEN], dated May 8, 1964, to accompany the bill making appropriations for the Department of Agriculture. I shall read briefly from page 17 of that report, as follows:

Our own Federal Government has been providing funds and technical assistance to enable competitors (Americans and foreigners) to increase their production overseas—both in quantity and quality—and to take over much of our traditional world markets with commodities produced with cheap labor, land, and materials. It is extremely difficult for the American farmer to compete with foreign producers—although efficiency of production and superior quality have enabled him to retain some of his foreign markets despite this disadvantage.

I agree with the points these outstanding gentlemen have made.

Now, Mr. Chairman: Convince a man against his will; he is of the same opinion still.

Let us face up to our responsibilities.

Do the Members realize that this is probably the only piece of legislation that was ever created in Congress whereby we just cut them loose and give them a blank check? You give the money to them and they can do exactly what they want to do with it.

I do not believe there is a Member on this floor who really believes we are justified in disbursing funds in fiscal year 1965 to 99 nations and 9 territories. It is fantastic. It is unbelievable. But, it is in the hearings. They give you the figures. If that is what you want, that is what you are going to have. However, I do not believe that is what you want.

Now, Mr. Chairman, I wish to summarize:

The bill under consideration would provide funds far in excess of needs for the foreign aid program. Last year, the Congress appropriated \$3 billion in new

funds, and during our hearings this year the committee was told repeatedly by "key" witnesses that the fiscal year 1964 program was "reasonable," "adequate," and "satisfactory." And the facts of record make it clear that a \$3 billion appropriation would be just as adequate this year.

This year's so-called "tight" budget for title I of the program is \$651,700,000 above the comparable appropriation for fiscal year 1964, although 14 countries and territories which were included in the budget last year have been deleted from the program for new money this year.

During the past 9 years the appropriations for foreign aid have been reduced by the Congress, \$8,108,262,000, or 21.10 percent, below the budget estimates. Each year, without exception, the administration in power has predicted the direct consequences to our Nation and the so-called "free world" if such action were taken. But, in every case, the amount appropriated by Congress has proved to be excessive to actual needs. By not being taken in by cries of "wolf," the Congress has directly saved more than \$8 billion for our country, while providing more money than the program needed. It is my hope that the majority of the Members of this House will refuse to be "taken in" this year.

The "pipeline" of unexpended funds in the aid program has increased by \$1,783,162,000 over the past 5 fiscal years. This has been so despite the money cuts made by the Congress. One of the primary causes for this huge "pipeline" of money is the number of countries which are recipients of our aid—99 countries and 9 territories in fiscal 1965 from military or economic assistance or Public Law 480—surplus agricultural commodities—and 38 of these countries will be beneficiaries of all three of these spigots of aid.

The foreign aid program has no counterpart in any other program operated by the U.S. Government. The legislative authority specifies that funds shall be spent for programs which are outlined in the broadest of terms. Funds are authorized and appropriated for these purposes, but up to 10 percent of the funds appropriated for any purpose may be used for other purposes. In addition, a contingency fund is provided which the President may use for any purpose authorized under the act. And, military assistance has its own contingency fund, provided by law, in the amount of \$300 million. This is indeed the most flexible program known to man.

The aid program is uncontrolled and uncontrollable. The executive department justifies its requests for appropriations on an "illustrative" basis. It tells the Appropriations Committee what it intends to do with money when it is appropriated; however, it can do something entirely different with the funds once they are appropriated. For example, it would be entirely possible for the Agency to justify the appropriation of money for the construction of a dam in Tunisia, and then use it to build a bridge in Iran.

During the fiscal year 1964, the AID initiated at least 60 projects which were never presented or justified to the Congress. The fiscal year 1964 cost of these

projects was \$7,202,000 and the cost to complete them is estimated to be \$21,-697,000.

Any budget prepared for the foreign aid program must, of necessity, be an estimate of the wildest type imaginable. From start to finish, it is based on conjecture as to, first, the number and extent of the projects which will be approved; second, development of worldwide situations; and third, the physical ability to spend money appropriated.

We are financing more than 4,000 foreign aid projects scattered all over the face of the earth, including prime, "sub," and related projects. Furthermore, there are 71,416 people, including participants, on the aid program payroll, and this represents an increase of 7,000 during the last year. The program has reached such proportions that even the confusion is confused.

Cambodia recently requested that we withdraw our aid program from that country—but on April 29, 1964, 5 months after we had been requested to get out of Cambodia, the AID obligated funds to continue the training of Cambodian participants through fiscal 1968, at a cost of \$1,650,000.

It should be obvious to all that, at best, the foreign aid budget is not even a well-founded guess. Only a few people have gone into this program well enough to be thoroughly informed—and, I would say to the House that all of these people are not, by any means, in the executive branch. With due modesty, I should inform the Members that I, myself, spent more than 800 hours dealing with this program during calendar year 1963 and more than 300 hours, already, this calendar year in research and conducting hearings, and similarly during the preceding 8 years. I have looked only at the facts as I see them.

Among other serious matters in connection with the foreign aid program which disturb me a great deal is our Nation's "gold outflow" problem. Our gold stockpile stood at \$15,596 million on last December 31, as compared with \$22,857 million on December 31, 1957. Against this gold stockpile, which is the source of strength of the dollar, there are short-term U.S. due bills held by foreign nationals and governments estimated to amount to about \$26 billion. Consequently, it is literally within the power of those countries, if they should so choose, to bankrupt the U.S. Treasury. The 57 countries which received \$12,436,400,000 in military and economic aid from the United States during the 6 years from 1958 through 1963 purchased, in the same period, \$6,977,800,000 of our gold.

Joined by others of the committee, I strongly feel that a total of \$4,-802,190,400—including more than \$3 billion for economic and military aid under title I—will provide more than adequately for the programs covered by this bill. I wish to emphasize that for every category of economic and military assistance this recommendation provides for more than the amount approved by the House in the bill for fiscal year 1964 and is equal to or more than the amount provided in the final appropriation act for fiscal 1964.

This recommendation provides the full budget estimate for military assistance and the full budget estimate for Vietnam. Actually, about all that the recommended reductions would result in would be a long-overdue "squeezeout" of overobligations and a long-overdue shortening of the around-the-world "pipeline."

As chairman of the Foreign Operations Subcommittee, I have had tremendous support in the past from the majority of the members of the subcommittee, the full Committee on Appropriations, and the membership of this House. My position today is the same as it has been in the past, and I hope that those Members who have not had the opportunity to study the bill in detail will again support my position, as they have done in the past.

I thank you, Mr. Chairman.

Mr. STAEBLER. Mr. Chairman, will the gentleman yield to me?

Mr. PASSMAN. Yes. I will be glad to yield.

Mr. STAEBLER. I thank the gentleman for yielding. He has again referred to the gold flow problem.

Mr. PASSMAN. Yes.

Mr. STAEBLER. Mr. PASSMAN, the largest purchaser of our gold was Great Britain, was it not?

Mr. PASSMAN. You look at the sheet. There are 57 nations. You can analyze it.

Mr. STAEBLER. The largest was Great Britain.

Mr. PASSMAN. There had to be a largest and there had to be a smallest. Let us get down to the smallest and then work it in between. Go right ahead.

Mr. STAEBLER. Great Britain took more than a third of the gold we have lost in the last 2 or 3 years.

Mr. PASSMAN. I am surprised they did not take half of it.

Mr. STAEBLER. The figures were for Great Britain \$2,368 million in gold purchases from us. During that period the amount of aid Great Britain received from us was a total of \$280 million. In other words, a very small fraction of the total amount of gold. And at the same time and during the same period Great Britain repaid to us on prior obligations \$1,112 million. So that there was no connection between aid and gold flow in the case of Britain.

Mr. PASSMAN. According to your understanding. That is your view and not mine.

Mr. STAEBLER. Are you able to demonstrate any connection here?

Mr. PASSMAN. I am getting a lot of fun out of hearing the gentleman run along. Go ahead, please.

Mr. STAEBLER. I follow the principle of the last laugh.

Mr. PASSMAN. Go right ahead.

Mr. STAEBLER. The second largest purchaser of gold was France. During the 6-year period France purchased \$1,-000,400,000. During that period the French repaid to us more than that, \$1.03 billion on prior obligations. What connection here?

Mr. PASSMAN. I thank the gentleman. Will you answer one of my questions now?

Mr. STAEBLER. Yes.

Mr. PASSMAN. How much have you changed this figure here of \$7 billion that these 57 nations borrowed of our gold in your deliberations? I used a net figure. Now, some may happen to be the largest and some must be the smallest and some must be in between. I can only repeat what I said, and you cannot refute these figures, my very dear friend from Michigan. Look at the table. Let us not just go over part of it. Let us look at the facts as they are. I do not care whether you give it all to one country or half of it or what. We have listed 57 nations that we gave \$12 billion of aid to, and those 57 nations, whether it was Britain, France, Portugal, or what have you, purchased from us \$7 billion worth of our gold. You know these figures are accurate. I have discussed the matter with the gentleman before and I thought we had agreed. I am sorry to find out we are in disagreement again.

Mr. STAEBLER. But the gentleman has not established any connection between the purchase of the gold and the aid.

Mr. PASSMAN. How much have you reduced the amount the 57 nations purchased, net? I am referring to a net figure. Fifty-seven aid-recipient nations have drawn out \$6,980 million worth of our gold at the same time we were giving them \$12,400 million. That is of record. You cannot change the record.

Mr. STAEBLER. May I point out that the gentleman has not answered my question.

Mr. PASSMAN. Will the gentleman ask his question again?

Mr. STAEBLER. The connection between the purchase of gold and the granting of aid in the countries we talked about which account for more than half of the gold purchased. There is not any connection.

Mr. PASSMAN. If I drive down a road 3 miles and back up 2 miles, what is the difference between the two? One mile. It is all the same. Here we have a net loss of \$7 billion in gold.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Chairman, may I state to the gentleman from Michigan [Mr. STAEBLER] that in the case of the United Kingdom since World War I we have given them some \$7,258 million of foreign aid. In the case of France we have given them some \$7 billion of foreign aid. I know the point that the gentleman is trying to make. But let me point this out, that that aid was not all delivered in 1 year. These are the years in which it was obligated. Therefore it is impossible to say that the aid did not have some effect on the ability of Great Britain to buy \$2½ billion worth of our gold. That is the point the Chairman is trying to make, and it is a valid point. He has made it for the nations around the world.

The gentleman from Michigan is trying to put him to a point of proof which would be almost impossible to make. But the implication is so clear, if you have given this much aid and that much gold has been purchased within a certain reasonable period, the correlation is

obvious. To me it is very obvious that there has to be a connection between the two.

Mr. STAEBLER. Mr. Chairman, will the gentleman yield further?

Mr. PASSMAN. Let me say to the gentleman that I am not quarreling with him. I am speaking of the net result. Any way you take it, we have remaining in this country to our credit only about \$15 billion worth of gold. It requires \$12 billion to support our monetary system. That leaves \$3 billion to pay \$26 billion of short-term due bills held by foreign nationals and governments.

I do not believe we can pay \$26 billion with \$15 billion.

I have endeavored to make only one point and it is a valid point; it is factual. I only know that the 57 nations that we have documented, to which we gave \$12 billion worth of aid in 6 years, requisitioned approximately \$7 billion worth of our gold. That is a matter of fact.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Chairman, at the risk of breaking into the gentleman's presentation I would like to compliment him on his usual fine job of presenting the facts with reference to the foreign aid bill. He has done a magnificent job, in my opinion, as he always does. The gentleman from Louisiana is not only a very capable, industrious, and intelligent Member of Congress, but he is a very courageous man. And, whether you agree with him as to what he has done today, you have to admire his courage.

Mr. PASSMAN. I thank the distinguished gentleman.

Mr. Chairman, let me say that I am very grateful for the confidence of the Members of the House and for their support in the past.

Mr. STAEBLER. Mr. Chairman, will the gentleman yield further?

Mr. PASSMAN. Certainly.

Mr. STAEBLER. I hope the gentleman's information in other fields is better than it is on the subject of gold flow.

Mr. PASSMAN. Let me say to the gentleman from Michigan that I am going to kid him a little now. Do not let this get back to the people of Michigan, because they are already calling you "Governor." They will find that neither one of us knows very much about it, and this will also get me in trouble down in Louisiana.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to the distinguished gentleman from Florida.

Mr. HALEY. May I say to the gentleman from Louisiana and to the next "Governor" of Michigan, I believe the gentleman from Louisiana knows more about this program than the entire Congress, collectively.

Mr. PASSMAN. Thank you, my friend.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I am very happy to yield to the distinguished gentleman from Iowa.

Mr. JENSEN. Mr. Chairman, I want to pay my highest tribute to a great American, a great statesman, the Honorable OTTO PASSMAN, who has just given the House the plain true single facts and figures on this foreign giveaway pro-

gram that has cost the American taxpayers far over \$100 billion.

How any Member of Congress can vote for this bill after listening or reading Mr. PASSMAN's remarks of this day—June 30, 1964, is to me beyond all understanding.

Every American owes you, Mr. PASSMAN, a great debt of gratitude for your good works here in this U.S. House of Representatives.

Mr. PASSMAN. I thank the gentleman.

We will have a better President, we will have a better program, we will have a better administration, and we will have a better Congress if we do not yield to the whims of someone downtown, and if we work our will and cut this bill down to probably \$300 million more than was appropriated last year.

You know, if you want to spoil a child, just give him everything he wants. And, in this connection, I wonder whether this observation might also apply to Presidents?

Now, Mr. Chairman, before inserting some material in the RECORD, as a part of my remarks, I should note that under the rules of the Committee on Appropriations, subcommittee chairmen either have to defend and support the recommendations of the majority of the committee or, else, temporarily step aside as chairman. In this case, that is what I have done, and the reasons are, of course, quite obvious.

I thank the Members for their attention, and I thank the distinguished gentleman from Arizona [Mr. RHODES] for yielding this time to me.

Now, Mr. Chairman, here is the information I mentioned for insertion in the RECORD, as an extension of my remarks:

	1964 appropriation		Fiscal year 1965			
	House bill	Final	Estimate	House authorization	Appropriations subcommittee recommendation	Reduction below authorization
<b>TITLE I—FOREIGN AID (MUTUAL SECURITY)</b>						
Economic assistance:						
Development grants	\$150,000,000	\$155,000,000	\$224,600,000	\$224,600,000	\$155,600,000	—\$69,000,000
American schools and hospitals abroad	14,300,000	14,300,000	18,000,000	18,000,000	18,000,000	
American hospitals abroad (special foreign currency program)	4,700,000	4,700,000				
Surveys of investment opportunities			2,100,000	2,100,000	2,100,000	
International organizations and programs	100,000,000	116,000,000	134,400,000	134,272,400	114,272,400	—20,000,000
Supporting assistance	300,000,000	330,000,000	405,000,000	405,000,000	354,000,000	—51,000,000
Contingency fund	50,000,000	50,000,000	150,000,000	150,000,000	100,000,000	—50,000,000
Inter-American social and economic cooperation program	100,000,000	135,000,000				
Alliance for Progress:						
Development grants	80,000,000	80,000,000	85,000,000	85,000,000	85,000,000	
Development loans	350,000,000	375,000,000	465,000,000	465,000,000	375,000,000	—90,000,000
Development loans	600,000,000	687,300,000	922,200,000	922,200,000	687,300,000	—234,900,000
Administrative expenses, AID	50,000,000	50,000,000	52,500,000	52,500,000	52,500,000	
Administrative expenses, State	2,700,000	2,700,000	2,900,000	2,900,000	2,900,000	
Subtotal, economic assistance	1,801,700,000	2,000,000,000	2,461,700,000	2,461,572,400	1,946,672,400	
Military assistance	1,000,000,000	1,000,000,000	1,055,000,000	1,055,000,000	1,055,000,000	
Total, title I	2,801,700,000	3,000,000,000	3,516,700,000	3,516,572,400	3,001,672,400	—514,900,000
<b>TITLE II—FOREIGN AID (OTHER)</b>						
Peace Corps	89,000,000	92,100,000	106,100,000	106,100,000	94,100,000	—12,000,000
Army: Ryukyu Islands	10,000,000	10,000,000	14,441,000	14,441,000	14,441,000	
HEW: Cuban refugees	56,000,000	39,717,137	45,400,000	45,400,000	45,400,000	
State: Migrants and refugees	10,550,000	10,550,000	8,200,000	8,200,000	8,200,000	
Inter-American Development Bank	50,000,000	50,000,000	205,880,000	205,880,000	205,880,000	
International Development Association	61,656,000	61,656,000	61,656,000	61,656,000	61,656,000	
Total, title II	277,206,000	264,023,137	441,677,000	441,677,000	429,677,000	
<b>TITLE III—EXPORT-IMPORT BANK</b>						
Limitation on operating expenses	1,314,366,000	1,314,366,000	1,350,060,000	1,350,060,000	1,350,060,000	
Limitation on administrative expenses	3,500,000	3,500,000	3,781,000	3,781,000	3,781,000	
Total, title III	1,317,866,000	1,317,866,000	1,353,841,000	1,353,841,000	1,353,841,000	
Grand total, all titles	4,396,772,000	4,581,889,137	5,312,218,000	5,312,090,400	4,785,190,400	—526,900,000

# U.S. GRAIN TO THE UNITED ARAB REPUBLIC (By Drew Pearson)

During the last 3 to 4 years, the United States has been supplying \$140 million worth of grain to Egypt under Public Law 480. This is the dollar value, and the actual value in Egyptian currency would be less. However, the total amounts to more than the contribution which the Soviet Union has made for the construction of the famed Aswan Dam. According to the American Embassy, the U.S. grain contribution amounts to 60 percent of all the wheat and wheat flour consumed annually by the Egyptian people and 25 percent of all grains consumed.

President Nasser has made no public effort to identify this big grain contribution with the United States. However, American Embassy officials are convinced that the Egyptian public generally recognizes the source of the grain.

Nasser's anti-Americanism: At the same time that the United States has been in effect balancing the Egyptian economy, Nasser has engaged in drastic, unrelenting opposition to American policies in the Near East. He has not been as vocal in his attacks on the United States as he was during the Eisenhower administration, at which time John Foster Dulles had canceled U.S. participation in the Aswan Dam. However, Nasser's anti-Americanism has been of late much more effective. They are as follows:

1. Unquestionably Nasser persuaded the Libyan Government to cancel the lease of the U.S. Air Force Base in Libya.

The Wheelus Base is the largest bomber base outside the continental United States and is considered of great strategic importance. Its importance has increased following American withdrawal from Air Force bases in Morocco. Nasser's demand that Arab countries cancel military contracts with the United States led to Libya's formal demand that the United States leave Libyan soil.

2. Nasser has been pressuring Ethiopia to cancel the Kagnew communications base at Asmara, the Ethiopian city on the Red Sea. This is probably the most important communications base the United States operates outside of the continental American territory. It is not only a tracking station but a communications center for the clearing of all messages across the Atlantic. Its geographical location is important, because it is near the Equator. Nasser has been embarrassing Emperor Haile Selassie with demands that all U.S. military installations be cleared from African soil. So far the Emperor has not yielded.

3. Nasser has been shipping arms to Somalia to be used against Ethiopia. This created a hot, guerrilla war during 1963 and part of 1964. Part of his strategy was to pressure for the removal of Kagnew; part was to create Arab unity as against a Christian state—Ethiopia. Ethiopia, while predominantly Christian, has large segments of Moslem population along the border of Somalia, and both Somalia and Nasser have been trying to get control of these areas. Ethiopia has been perhaps the most friendly country toward the United States of any in east Africa.

4. Nasser now has 40,000 troops in Yemen, chiefly for the purpose of trying to take control of that country and from it wage a political war against Saudi Arabia. Yemen under Nasser has declared the end of monarchies, and this, of course, is aimed at the monarchy of Saudi Arabia and its long alliance with American oil companies. Nasser's chief aim is to try to get control of Saudi Arabian oil, which would finance his drive for Arab unity.

5. Nasser has not paid American citizens for the property seized from them during his

Socialist takeover. Most Americans whose property was seized have given up any thought of financial restitution. Meanwhile, within the past 2 weeks, Nasser has seized the property of the Shell Oil Co., valued at \$100 million. While this is chiefly a British concern, it is closely affiliated with American companies and many American investors have their money in it. The fact that Nasser has seized this company so recently is significant.

6. The next Nasser attack on the United States, whether public or private, is expected to take place at the coming African unity conference in Cairo this summer.

## WOULD NASSER RETALIATE?

Nasser's opposition to the United States even though unpublicized has caused many Americans and some U.S. Embassy officials to consider the question of whether the sale of American grain under Public Law 480 should be continued. In general, the American Embassy in Cairo believes that the policy should continue. One of the questions raised unofficially by Americans is what would Nasser do if the food was cut off. They seem to fear drastic retaliation such as Nasser's seizure of the Suez Canal when John Foster Dulles announced the end of American plans to finance the Aswan Dam. Dictators, it is pointed out, have a habit of losing their tempers and acting irresponsibly when they are provoked. Among other things, it is argued that Nasser would attack Israel in retaliation.

## THE ANSWER

In Israel, various parts of Africa, and parts of southern Europe, I canvassed the question as to whether Nasser would attack Israel if American grain was cut off. There is no question but that Nasser is counting very heavily on this grain to balance his economy. He has budgeted it up to 1970. On the other hand, the United States has made no commitment to supply him with grain beyond 1966. Therefore it is quite possible that Nasser could and would take drastic action.

However, I doubt very much that he would attack Israel. In the first place Israel leaders with whom I talked are not worried about an attack. In the second place my own observations are that the Israel Army is too strong and is feared by all the Arab leaders. Nasser himself has said privately during the recent Arab summit conference that he was not going to fight a war against Israel with Egyptian troops. He had some experience on this point in the past, in fact was taken prisoner himself in 1948 by the Israelis.

There may well be an attack on Israel later—but only when Nasser has developed atomic weapons from the German scientists he has employed. He is not going to fight another ground, conventional war.

Meanwhile, the payment for atomic research by these Nazi scientists is indirectly supplied by the United States through the \$140 million worth of grain shipments annually.

If U.S. grain was curtailed, Nasser could not turn to Russia because the Soviet Union is desperately short of wheat itself. The United States in effect is the chief country from which grain can be supplied. This means that as of now the United States is not only subsidizing indirectly the expense of Nasser's 40,000 men in Yemen, not only financing the experiments of Nazi scientists, but also curtailing the dollar balance of the United States which could get cash for this wheat. Even if Nasser did not buy the wheat directly from the United States and bought from Canada instead, the United States in the long run would benefit through indirect increased sales.

## CONCLUSION

The tactics of President Nasser are quite similar to those of Fidel Castro in Cuba. He

has seized American property for which he has made no payment; he has endeavored to stir up trouble for the United States in all the surrounding area. He has aspired to acquire American oil companies in Saudi Arabia just as Castro has tried to get control of American oil companies in Venezuela. He has taken over the Suez Canal just as Castro has aimed propaganda and won expeditionary force at Panama with a view to disrupting the American hold on the Panama Canal.

The chief difference between Nasser and Castro is that the first is well groomed, unbearded, speaks with a flawless English accent, and is a past master at buttering up diplomats—in fact more—than the uncouth, bearded dictator of Cuba whom we now boycott.

The effect of this is to make our friendly allies in Africa wonder whether they, too, should not adopt Nasser's tough tactics against the United States. They note that we fall for blackmail.

The only logical excuse for continuing food to Nasser is to help the Egyptian people. When I discussed the matter with Israeli leaders, they were not worried about an attack by Nasser and dispelled the myth that they had asked the United States to feed Egypt in order to prevent an attack. Their only concern was that the people should be fed no matter what their religion and their enmity toward Israel.

This is a question to be considered seriously by the executive and legislative branches of the U.S. Government.

My own belief is that Nasser will not allow his people to go hungry. He has some internal problems already and he cannot afford a revolt. It is quite true that he would unloose a bitter barrage of propaganda against the United States if this food were curtailed. But he would find the money from other sources to feed his people. He could curtail his operation in Yemen, his large outlay of funds to Nazi scientists or his own television and radio propaganda in the Arab world which runs into considerable money and which again is paid for indirectly by the United States.

[From the Houston (Tex.) Post, May 5, 1964]  
Two DANCE GROUPS' TOURS COST THE UNITED STATES \$1 MILLION

WASHINGTON. — Government-sponsored trips abroad by two modern dance groups cost the taxpayers more than \$1 million, the State Department has advised Congress.

The information was given to the House Appropriations Committee during hearings on the State Department's appropriations bill scheduled for House consideration Wednesday.

The Martha Graham Dance Co., the committee was told, made two trips under the Department's cultural presentations program.

The first tour, late in 1955 and early 1956, cost \$302,525.

The second tour cost \$241,608.

## Deobligation of prior year obligations

Date of letter	Number of projects	Amount of reobligation
Apr. 6, 1964.....	15	\$9,838,000
May 1, 1964.....	5	1,502,000
May 28, 1964.....	7	2,387,000
June 2, 1964.....	3	11,970,000
June 5, 1964.....	6	181,000
June 8, 1964.....	19	938,000
June 10, 1964.....	35	2,341,000
June 11, 1964.....	88	6,678,000
June 12, 1964.....	37	1,768,000
June 17, 1964.....	17	11,814,000
June 19, 1964.....	4	648,000
Total.....	236	50,065,000

## Status of prior commodity assistance loans to Tunisia

Loan No.	Purpose	Date of loan agreement	Amount authorized	Disbursements per loan ledger as of May 31, 1964
664-H-011	Commodity assistance-----	Nov. 27, 1962	\$10,000,000	\$6,745,109.33
664-H-014	do-----	June 20, 1963	15,000,000	0
664-H-019	Commodity financing-----	May 22, 1964	10,000	0

[From Newsweek, June 22, 1964]

## DISSERVICE TO INDIA

So our aid to India has gone mainly to subsidize and prolong socialism, price controls, and an artificial value for the rupee. As the eminent Indian economist B. R. Shenoy wrote in the May 21 issue of the Wall Street Journal: "Foreign aid actually is doing a disservice to the Indian economy \* \* \*. Aside from helping to perpetuate industrial white elephants, foreign aid \* \* \* provides the foreign exchange needed for illicit export of capital; for illegal imports of gold \* \* \* for speculative accumulation of inventories; for the construction of urban property as a hedge against inflation; and for luxury living for those few who succeed in manipulating the nation's economic controls to their own advantage."

In brief, aid to India, insofar as it has not been merely a futile effort to fill a leaking tub, has been encouraging and prolonging socialism, controls, inflation, and an overvalued currency. And what is happening in India is typical of what is happening in other "underdeveloped" countries into which we have been pouring taxpayers' dollars.

When, if ever, are we going to use foreign aid to encourage sound currencies, balanced budgets, private property, free enterprise, and increased productivity?

## OF COURSE FOREIGNERS WILL TAKE U.S. AID

(By Dr. Howard E. Kershner, president of the Christian Freedom Foundation, Inc.)

Two years ago it was my privilege to discuss economic problems and international finance with a highly placed official of the Government of Lebanon. He explained to me proudly that his country was not in debt, always balanced its budget, had no inflation, and maintained a strong, stable currency. I congratulated him upon these facts and then inquired, "Will you tell me, Mr. Minister, why my country that has balanced its budget only six times in the last 30 years, has chronic inflation, a dollar steadily losing its purchasing power and owes more money than all the rest of the governments in the world combined, should continue to send your country millions of dollars a year?"

The Minister smiled as he replied, "I know of no reason why you should but if you are foolish enough to do it, of course we will take it."

## U.S. LEBANON AID

Through December of 1961, the United States had given Lebanon \$88 million in foreign aid. Broken down, \$8 million was in military assistance, \$77 million was in grants (gift), and \$3 million was in loans.

In 1950, Lebanon had a gold reserve of \$20 million. At the end of July 1962, Lebanon's gold reserve stood at \$172 million.

From the above figures, taken from official sources, it is unmistakably clear that Lebanon was never in need of our foreign aid.

Mr. GARY. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the full Committee on Appropriations, the gentleman from Texas [Mr. MAHON], to close debate.

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

Mr. MAHON. Mr. Chairman, I shall speak quite briefly, indeed. Certainly, at this hour it would not be appropriate for me to detain you long.

I want to compliment my good friend, the gentleman from Louisiana [Mr. PASSMAN] upon his very excellent talk. He is always very interesting. I believe, as my friend the gentleman from Florida [Mr. HALEY] stated, that the gentleman from Louisiana knows more about the details of the foreign aid program than anyone else in the Congress. He knows more about the details.

Now, one of my good friends said how anyone could have listened to that speech and vote for foreign aid, or words to that effect, he was not able to understand. Well, it is understood and known that my friend, the gentleman from Louisiana, does not support the foreign aid program, though he has voted for the appropriation bills which he has handled.

Mr. Chairman, I am frank to say that if you completely accept the philosophy of the gentleman from Louisiana, you certainly should not vote for any money for foreign aid because it is, in his opinion, an abomination, without a doubt.

Mr. Chairman, there really is not much difference between our good friend from Louisiana and the majority of the members of the Committee on Appropriations with respect to the content of the bill.

The gentleman wants to cut out in a direct amendment \$300 million. The committee wants to put the \$300 million on the shelf and make it unavailable to the President unless he makes a specific determination that these additional funds are needed and that they cannot be obtained from any funds otherwise available for the economic assistance program.

So there is really very little difference between the full Committee on Appropriations and the gentleman from Louisiana [Mr. PASSMAN], insofar as dollars are concerned.

The majority of the Appropriations Committee, not wanting to cut more than \$200 million in cash, which amount we cut, recommended that we put \$300 million on the shelf, and not deny the President's pleas for flexibility in dealing with military and foreign policy and the opportunity to use these funds if they are urgently required. Is there a man within the sound of my voice who would deny to the President the \$300 million that is in question in the reserve which the bill provides. I really doubt it very much. So the point is, the majority of the members of the Committee on Appropriations would put \$300 million on the shelf and make it available only under certain circumstances.

The gentleman from Louisiana would cut it out, eliminate it entirely.

It seems passing strange, however, that the gentleman from Louisiana would be willing to provide about \$3 billion for a program which he says is so bad. It is amazing and shocking to me that my friend, feeling that this program is so indefensible, would want to throw away \$3 billion of the taxpayers' money. That to me is quite incomprehensible, and I think you must agree.

Another thing that shocks and disappoints me in my friend is that he has said in his remarks, and he has said it in the report in the minority views, that this program of foreign aid is "uncontrolled and uncontrollable."

Who has been Mr. Big in foreign aid, for the last 10 years? If it has been uncontrolled, who must answer at the bar of justice for the fact it has not been properly circumscribed in the appropriation bills?

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MAHON. Why, if it is uncontrolled, has the Appropriations Committee, under the leadership of two of my dear friends, not done a better job of controlling it?

I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I want to answer the question. The reason for the bill being uncontrolled and uncontrollable is that the authorizing legislation provides that the funds will be appropriated for programs which are so broad it is impossible to have a line item appropriation. You get justifications on illustrative bases, bases which would allow the people who get the money to say they are going to build a dam in Iran, then build a bridge in Turkey. That is what the chairman means when he says it is uncontrolled and uncontrollable. If the legislation were the same type of legislation which we have, for instance, when we authorize a public works measure in the United States, it would be very simple with us to do the same job of controlling as we do in the Public Works Subcommittee of the Appropriations Committee. But this is not the fault of the Appropriations Committee. I want to make that clear.

Mr. MAHON. If you provide only \$3 billion, I assume that the gentleman would still say that the program is uncontrolled and uncontrollable. So, if the amendment sponsored by the gentleman from Arizona and the gentleman from Louisiana is adopted, the program would be as uncontrolled and uncontrollable as it would be with the higher figure.

Mr. RHODES of Arizona. This program is a guess, and whatever we say is right is just about as likely to be right as anything else. In the last 10 years since this subcommittee has been appropriating for this item, there have always been carryovers, and we have always given them more money than needed.

Mr. MAHON. My friend from Louisiana made reference to the request of an official in the executive branch that certain funds be obligated prior to the appearance of Mr. Bell, the AID Administrator, before committees of the Congress in connection with the foreign aid

program. While I cannot personally vouch for the facts in this case, I have been told that nine projects were involved and that some of them had been under study for several months. Mr. Bell ad-

vises that he wanted to have the latest information available before appearing before the appropriate committees. Mr. Bell has provided the following table in regard to the nine loans involved:

*Aid loans approved by the DLC and the NAC during the week of Apr. 20, 1964*

Loan	Amount (in millions)	Discussion of loan began—	Formal application received
Argentina:			
1. Secondary agricultural schools (Institucion Salesiana).	\$6.8	December 1962	March 1963.
Ecuador:			
2. Consortium Road	13.3	1961	November 1963.
India:			
3. Program loan	50.0	December 1963	Mar. 6, 1964.
Pakistan:			
4. Turbogeneration, Karnafull Dam	3.8	1960	October 1963.
5. Thermal power station (Siddherganj)	8.5	1960	Do.
6. Thermal power station (Lyallpur)	18.1	1962	Feb. 18, 1964.
7. Malaria eradication	10.4	1963	December 1963.
Tunisia:			
8. Program loan	10.0	July 1963	Apr. 17, 1964.
9. Electricity distribution	7.4	September 1962	Sept. 16, 1963.

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. ROONEY of New York. Is it not a fact that this program was cut by President Johnson to the extent of practically \$1 billion before it came to the Appropriations Committee?

Mr. MAHON. This is the point we have made, that in order to get in a better position for a tax cut, in order to comply with the will of Congress which has been expressed—last year—that we would support a program of \$3.5 billion, the President submitted his request. In effect, he said, "Let us be realistic." I am not using his exact words. He sent down a budget estimate which is approximately the amount we appropriated last year, and with our cuts we are providing less in the bill this year than was provided last year in total obligational availability. So it seems to me that we are in good position.

My friend from Louisiana made reference to the fact that I had said I would not have supported the bill on one occasion if certain cuts had not been made. I must frankly say that if President Johnson had sent down a program the size of the one which came down in 1957, for example, of \$4.860 billion, or the one of \$4.275 billion in 1961, or of the \$4.775 billion, which was requested in 1962 or the \$4.961 billion requested in 1963; I would have, in all probability, supported a greater reduction. Yet, those who oppose the committee position strangle at a bill which provides \$1 billion less in total funds than they themselves permitted in conference reports in those previous years. The recommended total available for obligation in this year—1965—is lower than that available last year. This is the reason why I say I can support this bill, though I have always looked with a jaundiced eye upon foreign aid programs and wanted to make reductions and save everything possible by making suitable reductions.

Under leave to extend, I include a table showing total funds available for obligation for the last 9 years and for fiscal year 1965 as reported by the Appropriations Committee:

*Mutual defense and development programs—Statement of availabilities, fiscal year 1956 through fiscal year 1965*

[In millions of dollars]

	Budget estimate <sup>1</sup>	Appropriation	Unobligated carryover	Transfers, reimbursements and receipts	Recoveries	Total available for obligation
1956:						
Military	1,442.2	1,022.2	33.9	+2.1	395.0	1,453.2
Economic	1,824.4	1,681.1	14.7	+6.4	<sup>2</sup> 160.6	1,862.8
Total	3,266.6	2,703.3	48.6	+8.5	555.6	3,316.0
1957:						
Military	3,000.0	2,017.5	195.5	+4.5	188.7	2,406.2
Economic	1,860.0	1,749.1	142.6	+8	127.8	2,020.3
Total	4,860.0	3,766.6	338.1	+5.3	316.5	4,426.5
1958:						
Military	1,600.0	1,340.0	538.8	-22.7	206.0	2,062.1
Economic	1,786.9	1,428.8	225.4	+29.1	144.1	1,827.4
Total	3,386.9	2,768.8	764.2	+6.4	350.1	3,889.5
1959:						
Military	1,800.0	1,515.0	21.5	+27.8	222.9	1,787.2
Economic	2,375.1	1,933.1	44.6	+3.4	170.8	2,151.9
Total	<sup>3</sup> 4,175.1	<sup>3</sup> 3,448.1	66.1	+31.2	393.7	3,939.1
1960:						
Military	1,600.0	1,300.0	52.1	+57.2	208.3	1,617.6
Economic	2,830.0	1,925.8	42.3	-26.1	163.8	2,105.8
Total	4,430.0	3,225.8	94.4	+31.1	372.1	3,723.4
1961:						
Military	2,000.0	1,800.0	50.9	+2.4	120.6	1,973.9
Economic	3,025.0	2,631.4	66.9	+30.0	146.4	2,874.7
Total	<sup>3</sup> 5,025.0	<sup>3</sup> 4,431.4	117.8	+32.4	267.0	4,848.6
1962:						
Military	1,885.0	1,600.0	58.1	-8.5	240.7	1,890.3
Economic	2,890.5	2,314.6	657.0	+6.3	104.7	3,082.6
Total	<sup>4</sup> 4,775.5	3,914.6	715.1	-2.2	345.4	4,972.9
1963:						
Military	1,500.0	1,325.0	64.2	+79.3	250.0	1,718.5
Economic	3,461.3	2,603.9	89.5	+27.5	134.5	2,855.4
Total	4,961.3	3,928.9	153.7	+106.8	384.5	4,573.9
1964:						
Military	1,405.0	1,000.0	22.3	+50.0	127.7	1,200.0
Economic	3,120.3	2,000.0	376.5	-44.6	91.8	2,423.7
Total	4,525.3	3,000.0	398.8	+5.4	219.5	3,623.7
1965 (appropriation bill):						
Military	1,055.0	1,055.0	25.0	-----	135.0	1,215.0
Economic	2,461.7	2,261.6	28.1	+3.6	59.5	2,352.8
Total	3,516.7	3,316.6	53.1	+3.6	194.5	3,567.8

<sup>1</sup> Represents executive requests as reflected in "House documents" and summarized in "Budget estimates" column of annual HAC reports adjusted to include supplementals.

<sup>2</sup> Estimated.

Footnotes continued on following page.

\* Breakdown between regular and supplementals is as follows:

	Fiscal year 1959		Fiscal year 1961	
	Estimate	Appropriation	Estimate	Appropriation
Economic:				
Regular.....	2,150.1	1,783.1	2,275.0	1,916.4
Supplemental.....	225.0	150.0	750.0	715.0
Total.....	2,375.1	1,933.1	3,025.0	2,631.4
Military.....	1,800.0	1,515.0	2,000.0	1,800.0
Total.....	4,175.1	3,448.1	5,025.0	4,431.4

\* Includes \$600 for special Latin America program.

\* Excludes \$6 million requested for State administrative expense since request was originally in State's budget estimates; \$3 million was subsequently appropriated in foreign aid legislation.

Source: Prepared by the Agency for International Development, June 29, 1964.

As has been said here, it is hard to exactly measure this matter of fund requirements, but let us bear this in mind. My friend from Louisiana keeps talking about this program in the last 18 years having cost, including the interest on the public debt, about \$125 billion. What did we get for it? All of Western Europe was saved. This is valuable beyond estimation. What did we get for the \$125 billion? Well, we stopped Russia from obtaining warm-water ports in Greece and Turkey, and we did not permit them to make the Mediterranean Sea a Red lake, which would dominate Africa and dominate southern Europe. Was that worth anything?

The foreign aid program has had an important part in preventing world war III. Is that worth anything? World war III would cost 20 times in money what foreign aid has cost in the last 20 years. It would certainly cost more in money and it could cost a half billion lives in the contest.

It may be that as expensive as foreign aid has been and as objectionable as it has been to many of us, it has been almost chicken feed when compared to what the situation would have been had we not invested this money in national defense and American security.

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. ROONEY of New York. To put it another way, the amount contained in this bill would not carry us for 3 days in a war.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Virginia.

Mr. GARY. There has been talk about the carryovers from year to year after the congressional cuts in bills for previous years. Is it not a fact that we cut this bill so deeply last year that the estimated carryover for this year is the lowest since 1956? It is only \$53,100,000. The committee bill appropriates approximately the same amount, or less than was appropriated last year.

Mr. MAHON. If we want to abandon Nationalist China and if we want to quit helping support troops in Greece and Turkey and other areas of the world where we are helping to pay for troops, then this could be done. But we dare not do it.

I am sure many Members of the House, while they do not agree with everything involved in foreign aid any more than

I do, if their vote meant that there would be no program and meant complete abandonment to communism of key areas of the world—those who voted against foreign aid would stand up and say, "Yes, I voted for it." We have to have some kind of program and that is just what we are working on here today.

Now, the gentleman from Louisiana [Mr. PASSMAN], as I said, probably knows more about the intimate details of foreign aid budgetary justifications than anybody in the legislative branch. But he is not called upon to use or administer this program. He has never felt the muscle of foreign economic or military aid in a contest where the stakes were war or peace. He has not felt the muscle of it because he is in the legislative branch. But when our President is required to sit down and talk to the representatives of Greece and Turkey and to try to prevent the beginning of what could become World War III, he, the President, feels the muscle of military and economic assistance to other countries and he knows whether or not the program is an instrument for peace and security.

Only the President really understands this. Mr. Johnson as a U.S. Senator supported foreign aid reluctantly upon some occasions and voted for some cuts while in the Senate. When he went to the White House he must have discovered that this program was an ally, that it was a weapon, it was a tool which had been given to him to help him succeed in preventing World War III and spare the lives of American citizens.

Yes, and these people who have had the experience of dealing with the program from the standpoint of negotiating with foreign countries—and under the Constitution the President is our spokesman as to our foreign policies and is the Commander in Chief of our Armed Forces—seem to favor it strongly.

What have they done and said about it? What did Mr. Eisenhower do? With all of this partisan talk being reported in the New York Times, what did Mr. Eisenhower do? He felt so strongly about the importance of continued and adequate support of a foreign aid program—of course, he conceded that Congress can do as it thinks best—but as a private citizen he said he felt a program of foreign aid of \$3.5 billion—and I quote—"represents a level of mutual assistance that cannot be drastically reduced without damaging the vital interests of the United States." That comes

from the highest authority who administered our foreign policy for 8 years.

This is not a partisan program. It has not been a partisan program before. But there have been those who have been seeking here in recent days to make it a partisan program. Tomorrow, when the vote comes, those who have voted for much higher figures in recent years on the other side of the aisle, I hope will vote for the lowest figure that has been presented in the last 9 years and so give to President Johnson, who apparently has the confidence of the people, a chance to do the job. The President has the job to do. He has asked for the tools. We made some changes and reductions. But substantially let us give him the chance to perform for freedom and for the American people.

I, for one, will be voting for this bill and against further amendments.

The President cut \$1 billion. We cut \$200 million and put an additional \$300 million on the shelf. I shall not go further. And I have as my authority such men as President Eisenhower, who used to administer the program, and our own President at this time.

Mr. GARY. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I want to take this opportunity to commend the gentleman from Texas, the chairman of our full committee, for the wonderful message that he has given us here today. I would like to make two observations. I am not going to answer many of the things that the gentleman from Louisiana has said here. But he opened up his statement by stating the ones who signed the minority report were the ones who were in attendance most at the committee. This is a dastardly lie. I was at that committee and the gentleman from Kentucky was at that committee as long as anyone on that committee. We sat there patiently, along with the gentleman from Arizona, day in and day out. Of course, the attendance was bad—one of the poorest attendance records in the Congress. The major reason was because members could not stand the tactics of the chairman of that committee and the way he carried on day after day.

And there is one other point that I would like to make. He mentioned two books. One of them was a small book of 1956 and the other was a voluminous book of 800 hours.

Let me tell you the name of the chairman for that small book. John Taber. No greater chairman ever came out of the Congress of the United States. John Taber could say more in 5 words than the gentleman from Louisiana could say in 10 weeks.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Virginia.

Mr. GARY. I wish to say that I also was in attendance at those meetings. I was certainly present when every principal witness testified. For a chairman of a subcommittee to come on the floor and condemn the members of his own subcommittee—well, that is all I will say.

Mr. HALL. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. GARY. I yield to the gentleman from Missouri.

Mr. HALL. It is my personal opinion that the new chairman of the committee, in attempting to assess the value of foreign aid around the world in the past few years, has been looking in the looking glass of the adventures of Alice in Wonderland, written by Lewis Carroll.

(Mr. HALL asked and was given permission to revise and extend his remarks.)

Mr. HALL. Mr. Chairman, a long time ago a man by the name of Lewis Carroll wrote a book entitled "Adventures of Alice in Wonderland."

I have watched and listened to the arguments being advanced by the advocates of the theory how to buy friends and make enemies. If Lewis Carroll were alive today, I believe he could write a sequel to "Alice in Wonderland" and it would be entitled "Alice in Congress," for what we are doing here today must surely find a thousand parallels in Wonderland. What strange things are happening to the English language. What were shameful and extravagant handouts last year are prudent, moderate, minimal needs today. I thank heaven that men like George Washington, Thomas Jefferson, and Patrick Henry were neither "prudent" nor moderate," but were so radical and so extreme that they dared pledge their lives, their fortunes, and their sacred honor for matters of deep principle. But then King George III had no "rose garden" to tempt their favor.

The Mad Hatter in Lewis Carroll's fictional story wore only one large hat, but concealed beneath it were 17 smaller hats. So it is here today. The one massive hat concealing \$3.3 billion in new foreign aid appropriations which it is alleged will strengthen the free world. But remove the big hat and a whole Pandora's box reveals itself, handouts of every size and description for three-fourths of the nations of the world. And if we include the additional countries that will benefit from the funds in this bill for the special U.N. programs such as the Special Fund and the expanded technical assistance program, we must conclude that most of the remaining fourth also will go to the trough provided by our taxpayers.

And I cannot escape the parallel between the tea party in Wonderland and the attempt to engage in meaningful debate here. For even while we talk and while the issue is debated, we know full well that no matter what arguments are presented, no matter what logic is brought forth, the heavy hand of politics and political pressure has predetermined a substantial number of votes. The empty seats in this Chamber reflect that

obvious fact just as there were many empty seats at the Mad Hatter's tea party.

And what parallels can be found between the bizarre events in Wonderland and the inconsistencies that mark our deliberations here today.

We have a national debt which exceeds the debt of all the countries in the world, and yet we are asked to approve the largest foreign aid program of any country in that same world.

In our own earthquake-ravaged State of Alaska, according to correspondence I have received from a Democrat who represents that State in the other body, it is impossible to obtain an SBA Government loan at an interest rate of less than 3 percent. And yet in this bill we are approving loans for friend, foe, and wishy-washy neutral, which charge no interest at all up to 10 years. If its for over 10 years the country fortunate enough to be designated, "underdeveloped," pays only 2 percent—1 percent less than the citizens of Alaska must pay in order to borrow back their own tax dollars to help rebuild their shattered economy.

American men are fighting and dying for their country as advisors in Vietnam. And yet, as the gentleman from Wisconsin pointed out yesterday, wheat which we sell under our foreign aid program to Mexico and France eventually ends up in Red China and Vietnam where it sustains and strengthens the very hands responsible for our rising casualty rates in southeast Asia.

We hear a great lament from the White House about the poverty which afflicts one-fifth of our population, and yet we are asked to bestow on the poverty stricken in other countries over three times the amount advocated to be spent here. I doubt whether the \$3 billion in this bill will cure poverty overseas any more than the \$1 billion will cure it here.

Mr. Chairman, I will not take part in our foreign aid tea party. I will not cast a vote in favor of dispensing tax dollars from the hard-working citizens of southwest Missouri over the four corners of the world, including 99 nations and 9 territories.

I will vote against this appropriation bill and in favor of all amendments to reduce it. If there are any in this Chamber who can resist the temptations of the rose garden, or the Hatter's party, I urge them to do the same.

Mr. GARY. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Chairman, I have heard some of the remarks, during which the gentleman from Louisiana cited himself as the outstanding authority in the House, and remarks about there not being too many people who know very much about this program.

I have just listened to the words of the gentleman from Massachusetts [Mr. CONTEL].

In the past we who serve on the Foreign Affairs Committee have held voluminous hearings, taking many days and many hours, yet in references to us it has always been said, "Well, you do not really understand the program."

But we do understand the program. When we have witnesses before our committee we listen to them and we read the hearings.

This year I read the hearings of the gentleman from Louisiana's subcommittee of the Committee on Appropriations. The distinguished chairman of the appropriations Committee, Mr. MAHON, just made one of the most outstanding talks I have ever heard on this very vital question.

One of the reasons why the subcommittee has not had an opportunity of acquiring the information, perhaps, which we acquire, has been the fact that the witnesses have never had much of an opportunity to talk. It is sort of like a lawyer who only asks questions and refuses to allow answers but urges that the witness be convicted for not being responsive. Perhaps the House would find of interest some notes I made.

I should like to point out that Mr. Macomber, Assistant Administrator of AID, is the chief authority for the area where a predominant amount of this money goes, the Near East and south Asia. Mr. Macomber, in the committee hearings, had 1,665 lines to say.

Assistant Secretary of State Talbot, who is entrusted with making policy in this area, had 256 lines to say.

Mr. Tennant had 96 lines to say. He is Comptroller of AID.

Mr. Walsh 44 lines. Mr. White 15 lines.

Mr. Funari, legislative programs coordinator, the gentleman who has been the liaison between the White House and the Congress, who appeared as a witness, had two lines to say.

This was all they could get to say, even though these people were available for weeks and weeks. These people were entrusted with supplying information and answers to questions. They were the people called to testify.

How many lines did the gentleman from Louisiana [Mr. PASSMAN] have? He had 3,388 lines to say.

This was the time it took to ask the questions. All of these witnesses were given an opportunity not to testify but to listen.

I might say that the gentleman from Massachusetts [Mr. CONTEL], who is a very knowledgeable man, a man who is a student of the program, and who, I might add, felt as strongly about the program when he fought for the program under President Eisenhower in which we

joined, is certainly entitled to his beliefs for what he feels is in the best interest of the United States.

We made a little compilation of this whole thing. All the witnesses combined were allowed 2,078 lines. The gentleman from Louisiana [Mr. PASSMAN], total lines in all these hearings were 3,388 lines, about 1,300 more than all these witnesses who appeared before that subcommittee.

There are many people in this House who know the program and who have worked for the program and who support the chairman's Appropriations Committee to the hilt. He thinks that we must entrust the responsibility for the conduct of our foreign affairs to the President, and so do we. He thinks that this program serves the best interest of the United States, and so do we. If we share this concern then we should support the bill proposed by the very able gentleman from Virginia [Mr. GARY]. I thank the gentleman for yielding.

Mr. RHODES of Arizona. Mr. Chairman, a parliamentary inquiry. I am anxious to know who had the floor.

The CHAIRMAN. The gentleman from New Jersey [Mr. GALLAGHER] had the floor.

Mr. RHODES of Arizona. The gentleman from New Jersey had the floor?

Mr. HALLECK. I did not hear anybody yield time to him.

The CHAIRMAN. The gentleman from Virginia [Mr. GARY] yielded to the gentleman from New Jersey [Mr. GALLAGHER].

Mr. RHODES of Arizona. Mr. Chairman, how much time did the gentleman yield?

The CHAIRMAN. As much time as he required.

Mr. ALGER. Mr. Chairman, we are told that our foreign aid is saving the world from communism. This is not true.

The United States is supporting and aiding communism by money, by food, by arms, by moral support, by trade, by cultural exchange, by giving them our military and nuclear secrets. We are pretending that communism and Communists mean no harm. We are aiding them as they aid other Communists and eliminate any vestige of freedom in the subjugated countries.

Why? Because there is profit to be made by some businessmen in foreign aid, military expenditures, and big government spending.

We now jeopardize the very currency of our country. In 5 years, 1958 to 1963, we gave \$12½ billion to 57 countries who promptly bought \$7 billion of our gold with the dollars we gave them.

Now we propose to give them \$3.7 billion more. Already foreign governments

hold \$26 billion in money which can be redeemed in our gold, except we have only \$15½ billion gold left to give away.

Further, there are \$7 billion now in the "pipeline" of unexpended accumulated funds, whether we appropriate any more now or not. Here is all of this money earmarked for specific expenditures. As a matter of fact large amounts can be deobligated and spent for new and other programs.

I want to commend the members of the subcommittee who joined in the minority report, and I share their views. Part of these views I would like to include at this point as a part of my own views:

#### MINORITY VIEWS

We, the undersigned, firmly believe that the accompanying bill would provide funds far in excess of the real needs of many of the programs which it funds. The bill does not reflect the facts that were brought out in the long and searching hearings. In our opinion, the appropriation of funds in the amount carried in the bill is, very definitely, not in the best interests of our Nation.

The limited time available for the preparation of minority views does not permit documentation in great detail. However, such detail is not necessary to illustrate the validity of the foregoing statements.

The foreign aid program is an amazing program. It is hard to believe, but it is true, that we are financing over 4,000 foreign aid projects scattered all over the face of the earth. This includes prime, sub, and related projects. It is hard to believe, but it is true, that there are now 71,416 people, including participants, on its payroll—an increase of 7,000 during the last year. It has reached such proportions that even the confusion is confused.

The foreign aid program has no counterpart in any other program operated by the U.S. Government. The legislative authority specifies that funds shall be spent for programs which are outlined in the broadest possible terms. While funds are authorized and appropriated for these purposes, up to 10 percent of the funds appropriated for any purpose may be used for other purposes. In addition, a contingency funds is provided which the President may use for any purpose authorized under the act. Military assistance also has its own contingency fund provided by law in the amount of \$300 million.

The foregoing facts would serve to bolster the statement that "This is the most flexible program known to man." But there are other factors than flexibility which have caused the program, in the words of Chairman Passman, to be "uncontrolled and uncontrollable." The executive department justifies its request for appropriations on an "illustrative" basis. In other words, it tells the Appropriations Committee what it intends to do with money when it is appropriated. However, it can do something entirely different with the funds, once it comes into possession of them. For instance, it would be entirely possible for the Agency to justify the appropriation of money for the construction of a dam in Tunisia, and then use it to build a bridge in Iran.

Any budget prepared for the foreign aid program must, of necessity, be an estimate of the wildest sort. From start to finish, it is based on conjecture as to (1) the number and extent of projects which will be approved by our Government and the host governments, (2) development of worldwide situations, and (3) the physical ability to spend money appropriated. Further, it is impossible for the Appropriations Committee to ascertain with any degree of accuracy the amount of unobligated funds which are left at the end of the fiscal year. It has been stated that these figures for any fiscal year are not available until October of the following year. Since it has been the custom of the Appropriations Committee to ask the House to reappropriate unobligated funds for this program, this factor adds uncertainty to the proper level of appropriations in the following fiscal year.

With these uncertainties, vagaries, and other built-in flexibilities of this program, it seems strange that each year the Executive attempts to tell people of the country that unless a certain figure is appropriated by the Congress that (1) the foreign aid program will falter and die, (2) our foreign relations will be damaged irreparably, and (3) we will be known as a tightwad around the world. Instead, it should be obvious that the matter is a guess at the very best and that there are only a few people who have gone into the matter well enough to be thoroughly informed. Not all of those people are in the executive department. In fact, the chairman of this subcommittee, the Honorable OTTO PASSMAN, has spent over 800 hours in this program during 1963 and over 300 hours in calendar year 1964 in research and in conducting hearings, and he has given the same dedicated service to the subcommittee for the last 10 years. Over the years all of the members who have signed this minority report have been regular and diligent in their attendance at the hearings.

In other words, we feel that as legislators (1) we are disinterested judges, looking only at the facts as we see them; (2) we are interested in saving money for the taxpayers of the United States; and (3) we are interested in furthering the purposes of the foreign aid program as set forth in authorizing legislation, because it is the law of the land and not necessarily because we are advocates of it.

#### GOLD OUTFLOW

We are concerned about the "gold outflow" problem. Even though the latest Treasury reports indicate that the outflow has been somewhat arrested, our gold stockpile stood at only \$15,596 million on December 31, 1963. This compares with the gold stockpile of \$22,857 million on December 31, 1957. Against this gold stockpile, which is the source of the strength of the dollar, there are short-term due bills held by foreign nationals, and by foreign governments which use them as support for their own currency, which is estimated to be in the neighborhood of approximately \$26 billion. Consequently, it is within the power of our overseas friends to literally bankrupt the U.S. Treasury.

The table below is an updating—through December 31, 1963—of the gold outflow chart contained in the committee report of last year.

## Net sales of U.S. gold to foreign aid program recipients

[In millions of dollars. Negative figures represent net sales by the United States; positive figures represent net purchases]

Country	1958	1959	1960	1961	1962	1963	Total
Algeria						-\$15.0	-\$15.0
Argentina	+\$67.2		-\$50.0	-\$90.0	+\$85.0	-30.0	-17.8
Austria	-84.2	-\$82.7	-1.1		-142.5	-32.1	-342.6
Belgium	-329.4	-38.5	-140.9	-144.4	-63.0		-716.2
Burma			-3.8		-20.9		-24.7
Cambodia			-12.0	-3.1	-1.7	+3.2	-13.6
Cameroon Republic						-1.9	-1.9
Central African Republic						-7	-7
Ceylon		-7.5					-7.5
Chad						-7	-7
Chile	+3.0	-1.3	-2.0	-6.6			-6.9
Congo (Leopoldville)						-3.1	-3.1
Costa Rica				-2.3	-5		-2.8
Cyprus				-2.0			-2.0
Dahomey						-8	-8
Denmark	-17.0	-15.0	-15.0	-35.0	+15.0		-67.0
Dominican Republic				-3.0			-3.0
Ecuador					-3.2	-2.3	-5.5
Egypt			-7.5	-7.8	-1.2	-2.2	-18.7
Country A		-4.7	-3.0				-7.7
France		-265.7	-173.0		-459.1	-517.7	-1,415.5
Gabon						-7	-7
Germany (West)			-33.8	-22.5			-56.3
Ghana			-5.6				-5.6
Greece		-15.0	-47.0	-10.2	-19.1		-91.3
Guinea						-2.8	-2.8
Honduras			-8				-8
Indonesia		-11.0	-24.9				-35.9
Iran	-2.3		-4	-16.1		-5.9	-24.7
Iraq			-29.8				-29.8
Israel		-4.4			-10.0	-7.0	-21.4
Italy	-348.8			+100.0			-248.8
Ivory Coast					-1.5		-1.5
Japan	-30.1	-157.4	-15.2				-202.7
Korea		-1.6					-1.6
Laos				-1.9			-1.9
Lebanon				-21.0	-32.1		-53.1
Mauritania						-8	-8
Mexico		-30.0	-20.0			-4.0	-54.0
Morocco			-21.0				-21.0
Netherlands	-260.9	-29.9	-249.4	-24.9			-565.1
Niger						-8	-8
Nigeria				-20.0			-20.0
Pakistan			-12.5				-12.5
Peru			-15.0	-5.0	-6	-10.6	-31.2
Portugal	-20.0	-10.0					-30.0
Saudi Arabia			-11.3	-47.5	-12.6		-71.4
Senegal						-1.7	-1.7
Somalia					-1.9		-1.9
Spain	+31.7		-113.7	-156.2	-146.1	-130.0	-514.3
Surinam	-2.5		-2.5		+2.5		-2.5
Syria			-2.1		-1.3	-4	-3.8
Tunisia			-5		-5	-5	-15.5
Turkey			-6.1	-2.5	-1.1	+2.0	-7.7
United Kingdom	-900.0	-350.0	-550.0	-305.7	-387.0	+329.3	-2,163.4
Upper Volta						-8	-8
Yugoslavia		-1.5	-15.9		-1.5	-1.9	-20.8
Net sales of gold	-1,893.3	-1,026.2	-1,585.8	-827.7	-1,204.9	-439.9	-6,977.8

The 57 countries included in the above table have received \$12,436,400,000 in military and economic assistance from the United States during the period covered by the table. During the same time—January 1, 1958, through December 31, 1963—these 57 countries purchased \$6,977,800,000 of our gold.

## UNEXPENDED BALANCES

The table below indicates the "pipeline" of unexpended funds under title I on hand at the end of each of the last 5 fiscal years:

	Amount of funds in pipeline
1960	\$4,830,600,000
1961	5,975,400,000
1962	6,629,500,000
1963	7,044,200,000
1964 (estimate)	6,613,762,000

The following table is a breakdown by program of the estimated unexpended funds for 1964:

## Unexpended funds, June 30, 1964

TITLE I	
1. Military assistance	\$2,050,751,000
2. Development grants	324,856,000
3. American schools and hospitals abroad	20,080,000
4. Surveys-investment opportunities	1,420,000
5. International organizations and programs	99,640,000
6. Supporting assistance	308,723,000
7. Contingency fund	170,052,000
8. Chilean reconstruction	9,765,000
9. Alliance for Progress	1,232,507,000
10. Development loans	2,106,694,000
11. Administrative expenses, AID	11,929,000
12. Administrative expenses, State	865,000
13. Acquisition of property	3,284,000
14. Investment guarantees	273,196,000
Subtotal, title I	6,613,762,000

## Unexpended funds, June 30, 1964—Con.

## TITLE II

15. Peace Corps	\$52,041,000
16. Army: Ryukyu Islands	3,200,000
17. State: Migrants and refugees	4,743,000
18. HEW: Cuban refugees	6,875,000
19. Inter-American Development Bank	200,000,000
20. International Development Association	252,840,000
Subtotal, title II	519,699,000

Grand total titles I and II 7,133,461,000

Theoretically, these funds represent firm obligations for goods and services on order but not yet delivered. However, the table below indicates that both the economic and military assistance programs have been able to deobligate or dereserve these so-called firm obligations in an amount sufficient to cause considerable concern:

Fiscal year	Economic assistance deobligations	Military assistance and dereservations and/or deobligations	Total deobligations
1956	\$111,000,000	\$395,000,000	\$506,000,000
1957	127,800,000	188,700,000	316,500,000
1958	144,078,000	206,000,000	350,078,000
1959	153,260,000	222,900,000	376,160,000
1960	160,970,000	208,300,000	369,270,000
1961	69,532,000	120,600,000	190,132,000
1962	93,211,000	240,700,000	333,911,000
1963	83,019,000	250,000,000	333,019,000
1964 <sup>1</sup>	91,800,000	127,700,000	219,500,000
Total	1,034,670,000	1,959,900,000	2,994,570,000

<sup>1</sup> Estimated.

## SPENDING MILLIONS ON PROJECTS NEVER PRESENTED TO CONGRESS

The committee has had confirmed this year, as it has in prior years, the "illustrative" nature of the entire foreign aid program. During fiscal year 1964 the AID initiated 60 projects throughout the world which were never presented or justified to the Congress. The fiscal year 1964 cost of these 60 projects is \$7,202,000, and the cost to complete them is presently estimated to be \$21,967,000. A table showing the distribution, by area, of these unjustified projects follows:

Area	Number of unjustified projects	Fiscal year 1964 cost	Present estimate of cost to completion
Africa	26	\$3,044,000	\$9,169,000
Far East	2	271,000	407,000
Near East and south Asia	6	973,000	5,104,000
Latin America	26	2,914,000	7,287,000
Total	60	7,202,000	21,967,000

Cambodia recently requested that we withdraw our aid program from that country. We have done so, but the committee was surprised to find that the AID on April 29, 1964—5 months after we had been requested to get our aid program out of the country—obligated funds to continue the training of Cambodian participants through fiscal year 1968 at a total cost of \$1,650,000.

## HISTORY OF FOREIGN AID APPROPRIATIONS

The following table sets forth the last 9 years' budgets for foreign aid and the action of Congress thereon:

## Total economic and military assistance

Fiscal year	Budget estimate	Passed House	Appropriation	Reduction below estimate	Percentage appropriation below budget estimate
1956	\$3,266,641,750	\$2,701,275,000	\$2,703,341,750	-\$563,300,000	17.24
1957	4,859,975,000	3,425,120,000	3,766,570,000	-1,093,405,000	22.50
1958	3,386,860,000	2,524,760,000	2,768,760,000	-618,100,000	18.25
1959	3,950,092,500	3,078,092,500	3,298,092,500	-652,000,000	16.51
1960	4,429,995,000	3,186,500,000	3,225,813,000	-1,204,182,000	27.18
1961	4,275,000,000	3,584,500,000	3,716,350,000	-558,650,000	13.07
1962	4,775,500,000	3,657,500,000	3,914,600,000	-860,900,000	18.03
1963	4,961,300,000	3,630,400,000	3,928,900,000	-1,032,400,000	20.81
1964	4,525,325,000	2,801,700,000	3,000,000,000	-1,525,325,000	33.71
Total	38,430,689,250	28,589,847,500	30,322,427,250	-8,108,262,000	21.10

## ECONOMIC ASSISTANCE ONLY

1956	\$2,141,641,750	\$1,996,275,000	\$1,998,341,750	-\$143,300,000	6.69
1957	1,859,975,000	1,690,120,000	1,749,070,000	-110,905,000	5.96
1958	1,786,860,000	1,274,760,000	1,428,760,000	-358,100,000	20.04
1959	2,150,092,500	1,563,092,500	1,783,092,500	-367,000,000	17.07
1960	2,829,995,000	1,886,500,000	1,925,813,000	-904,182,000	31.95
1961	2,275,000,000	1,784,500,000	1,916,350,000	-358,650,000	15.76
1962	2,890,500,000	2,057,500,000	2,314,600,000	-575,900,000	19.92
1963	3,461,300,000	2,330,400,000	2,603,900,000	-857,400,000	24.77
1964	3,120,325,000	1,801,700,000	2,000,000,000	-1,120,325,000	35.90
Total	22,515,689,250	16,384,847,500	17,719,927,250	-4,795,762,000	21.30

## MILITARY ASSISTANCE ONLY

1956	\$1,125,000,000	\$705,000,000	\$705,000,000	-\$420,000,000	37.33
1957	3,000,000,000	1,735,000,000	2,017,500,000	-982,500,000	32.75
1958	1,600,000,000	1,250,000,000	1,340,000,000	-260,000,000	16.25
1959	1,800,000,000	1,515,000,000	1,515,000,000	-285,000,000	15.33
1960	1,600,000,000	1,300,000,000	1,300,000,000	-300,000,000	18.75
1961	2,000,000,000	1,800,000,000	1,800,000,000	-200,000,000	10.00
1962	1,885,000,000	1,600,000,000	1,600,000,000	-285,000,000	15.12
1963	1,500,000,000	1,300,000,000	1,325,000,000	-175,000,000	11.67
1964	1,405,000,000	1,000,000,000	1,000,000,000	-405,000,000	28.83
Total	15,915,000,000	12,205,000,000	12,602,500,000	-3,312,500,000	20.81

All who have followed this program through the years will recall that, in the 9 years set forth above, the administration then in power has, without exception, reacted with horror at the mention of a significant cut in the budget estimates, and has predicted the direst consequences to our Nation and the free world if such action were to be taken by the Congress. Without exception, these nine budget were cut. As is documented in the preceding material, there also were no exceptions to the fact that the amount appropriated by Congress proved to be excessive to actual needs. Congress has saved \$8 billion by not being taken in by the cries of "wolf." We do not intend to be taken in this year, and trust that will be the reaction of the majority of the Members of Congress.

We have history on our side. We have the current facts on our side.

OTTO E. PASSMAN.  
GEORGE W. ANDREWS.  
JOHN J. RHODES.  
GERALD R. FORD.  
WILLIAM E. MINSHALL.

Mr. GARY. Mr. Chairman, I ask that we proceed with the reading of the bill.

The CHAIRMAN. Are there any further requests for time? If not, the Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1965, namely:*

Mr. GARY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. PRICE, Chairman of the Committee of

the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill H.R. 11812, had come to no resolution thereon.

## GENERAL LEAVE TO EXTEND

Mr. GARY. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks in the RECORD today on the foreign assistance appropriation bill and that the gentleman from Texas [Mr. MAHON] may be permitted to include a table in his remarks and that other extraneous matter may be included in the RECORD by the Members.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11376) entitled "An act to provide a 1-year extension of certain excise-tax rates."

## CONCURRENCE OF HOUSE OF REPRESENTATIVES TO THE SENATE AMENDMENTS TO H.R. 7152

Mr. MADDEN, from the Committee on Rules, reported the following privileged

resolution (H. Res. 789, Rept. No. 1527), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in public facilities and public education, to extend the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, with the Senate amendment thereto, be, and the same is hereby taken from the Speaker's table, to the end that the Senate amendment be, and the same is hereby agreed to.

## TO GRANT ADDITIONAL TRAVEL AUTHORITY TO THE COMMITTEE ON AGRICULTURE

Mr. YOUNG, from the Committee on Rules, reported the following privileged resolution (H. Res. 792, Rept. No. 1528), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That, notwithstanding the provisions of House Resolution 38, Eighty-eighth Congress, the chairman of the Committee on Agriculture of the House of Representatives is hereby authorized to carry out the committee's statutory responsibility for legislative oversight of Public Law 480, Eighty-third Congress, by designating and directing not to exceed five members and not to exceed two employees of the committee to conduct studies and investigations of operations under Public Law 480 between the dates of July 5 and July 20, 1964, in Brazil and while en route to and from Brazil in such other Central American and South American countries as the chairman may direct.

Notwithstanding section 1754 of title 22, United States Code, or any other provisions of law, local currencies owned by the United States shall be made available to the members of the committee and employees engaged in carrying out their official duties under section 190(d) of title 2, United States Code: *Provided*, (1) That no member or employee of said committee shall receive or expend local currencies or appropriated funds for subsistence in an amount in excess of the maximum per diem rates approved for overseas travel as set forth in the Standardized Government Travel Regulations, as revised and amended by the Bureau of the Budget; (2) that no member or employee of said committee shall receive or expend an amount for transportation in excess of actual transportation costs; (3) no appropriated funds shall be expended for the purpose of defraying expenses of members of said committee or its employees in any country where counterpart funds are available for this purpose.

That each member or employee of said committee shall make to the chairman of said committee an itemized report showing the number of days visited in each country whose local currencies were spent, the amount of per diem furnished, and the cost of transportation if furnished by public carrier, or if such transportation is furnished by an agency of the United States Government, the identification of the agency. All such individual reports shall be filed by the chairman with the Committee on House Administration and shall be open to public inspection.





# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

Issued July 2, 1964

For actions of July 1, 1964

88th-2nd; No. 132

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HIGHLIGHTS: Senate debated pay bill. Senate committee reported road authorization bill. Senate committee approved meat-imports amendment. Senators were appointed to Food Marketing Commission. House passed foreign aid appropriation bill. House passed bill to extend time for filing tobacco allotment leases.

### SENATE

1. PERSONNEL; PAY. Began debate on H. R. 11049, the Federal pay bill, rejecting amendments to exclude the legislative branch, etc. pp. 15175-86, 15210-31, 15242
2. ROADS. The Public Works Committee reported with amendments H. R. 10503, the road authorizations bill for 1966 and 1967 (S. Rept. 1162). p. 15136
3. MEAT IMPORTS. Sen. Byrd, Va., announced that the Finance Committee had approved a meat-imports amendment (p. 15217). The "Daily Digest" states that the committee voted to report (but did not actually report) H. R. 1839, providing for free importation of wild birds and animals for exhibition, "with Mansfield amendment No. 465 (restricting importation of beef, veal, lamb, and mutton into the U. S. ) as modified by Curtis amendment No. 1085 (restricting the importation of such meats on a pound basis)." p. D537

4. FOOD MARKETING. Sens. Magnuson, McGee, Hart, Morton, and Hruska were appointed as Senate members of the National Commission on Food Marketing. p. 15242
5. COMMODITY CREDIT CORPORATION. Both Houses received from the Comptroller General an audit report on CCC for the fiscal year 1963. pp. 15130, 15135
6. MUSHROOM INDUSTRY. Received a Pa. legislature resolution asking protection for the mushroom industry. p. 15136
7. RADIATION. The Judiciary Committee reported without amendment H. R. 10437, to incorporate the National Committee on Radiation Protection and Measurements (S. Rept. 1155). p. 15136
8. RECREATION. The Judiciary Committee reported with amendments H. J. Res. 658, requesting the President to proclaim 1964 as "See America Year" (S. Rept. 1149) p. 15136
9. ELECTRIFICATION. Sen. Javits inserted the report of the Milton Eisenhower committee on electric resources and the future. pp. 15138-42
10. POVERTY. Sen. Lausche criticized the President's poverty program (p. 15173). Sen. Javits inserted ideas on the poverty program resulting from a New York University conference (pp. 15231-4).
11. AREA REDEVELOPMENT. Sen. Hartke inserted an editorial defending the area-redevelopment project for North Vernon, Ind., against criticism by Reader's Digest. p. 15238
12. WATERSHEDS. The Public Works Committee approved watershed projects for Hlawassee River, Ga.; Muddy Creek, Kans.; Presque Isle Strait, Me.; and West Fork of Duck Creek, O. p. D537

#### HOUSE

13. ALASKA RELIEF. Rep. Albert asked permission for S. 2881, the Alaska relief bill, to be taken up today under a motion to suspend the rules and pass the bill, but withdrew the request after Rep. Halleck indicated that he had not had sufficient opportunity to check into the matter. pp. 15067-8  
Rep. Pelly criticized the Senate's action in rejecting certain "liberalizing amendments" to S. 2881, stating that "Alaska has received rather shabby treatment in relation to her reconstruction needs..." p. 15027
14. FOREIGN AID. By a record vote of 231 to 174 passed, without amendment, H. R. 11812, the foreign aid appropriation bill. pp. 15027-65  
The bill includes \$204,600,000 for economic assistance development grants, \$134,272,400 for contributions to international organizations and programs, \$85,000,000 for Alliance for Progress development grants, \$425,000,000 for Alliance for Progress development loans, and \$87,100,000 (plus \$17,000,000 of funds previously appropriated) for the Peace Corps.
15. APPROPRIATIONS. Rep. Mahon inserted tabulations of appropriation bills processed by the House to date. p. 15065
16. TOBACCO. Passed without amendment H. J. Res. 1026, to extend time by which a lease transferring a tobacco acreage allotment may be filed. p. 15067  
Rep. Kornegay inserted an editorial criticizing FTC's rule requiring the labeling of cigarettes as a health hazard. pp. 15069-10

network operations. The total amount authorized for this item is \$261,900,000.

Amendment No. 8: This is a conforming amendment which specifies the revised total authorization for construction of facilities resulting from the restoration of funds included in Senate amendments Nos. 9, and 11 through 16.

Amendment No. 9: NASA requested \$2,630,000 for the construction of a flight simulator for the advanced aircraft facility at Ames Research Center. The House deferred this project. The Senate amendment No. 9 restored this item. Testimony taken by the Senate subsequent to the House action convinced the managers on the part of the House that a need exists for this simulator in order to conduct experiments in connection with supersonic transports and to meet requirements of FAA and DOD. Consequently, the managers on the part of the House receded and agreed to the restoration of this item.

Amendment No. 10: The Senate amendment specifies the location of the Electronics Research Center as the Boston, Mass., area.

Amendments Nos. 11 through 16: NASA requested \$224,910,000 for the Office of Manned Space Flight for construction of facilities. The House reduced this amount by \$21,491,000. The Senate amendments Nos. 11 through 16 restored \$10,245,500 of this amount. In conference, the managers on the part of the House agreed that the House reduction was too severe because the major portion of the facilities are operational in nature and are in support of the flight schedules for Gemini and Apollo. Consequently, the House receded and agreed to the restoration of these construction items. Further, the conferees recognized the need for public facilities at the John F. Kennedy Space Center. It is the sense of the conferees that the restored funds will allow start of construction of the necessary public facilities.

An additional restoration of \$1,670,000 for an Apollo Network Ground Station in the Northwest Pacific area contained in Senate amendment No. 16 was originally deferred by the House. Subsequently, NASA selected a site at Guam for this tracking station. Later testimony before the Senate showed that construction of this station must be started at once if it is to be operational when needed. In view of the foregoing, the managers on the part of the House receded and agreed to the restoration.

Amendment No. 17: NASA requested \$641 million for administrative operations. The House approved \$617,525,500. The Senate amendment No. 17 restored \$11,737,250. The Senate conferees receded and agreed to limit the restoration to \$6 million. The total reduction is therefore \$17,474,500, resulting in an authorization of \$623,525,500 for administrative operations.

Amendment No. 18: This is a conforming amendment which revises the ceiling related to construction of facilities in keeping with the actions of the conferees.

GEORGE P. MILLER,  
OLIN E. TEAGUE,  
JOSEPH KARTH,  
KEN BECHLER,  
JOSEPH W. MARTIN, Jr.,  
JAMES FULTON,  
J. EDGAR CHENOWETH,

*Managers on the Part of the House.*

#### ALASKA TREATED SHABBILY

(Mr. PELLY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PELLY. Mr. Speaker, reluctantly, I have been forced to the conclusion that in the overall, Alaska has received

rather shabby treatment in relation to her reconstruction needs arising out of the damage due to the earthquake of March 1964.

The executive agencies of our Government certainly responded promptly and with sincere sympathy, and I am not unmindful of Federal assistance rendered. In fact, I obtained a table from the Federal Reconstruction and Development Planning Commission for Alaska and the estimates indicate authorized amounts for relief of one kind or another will amount to between \$300 and \$400 million.

But, Mr. Speaker, this seems to me rather meager in view of the losses and it is slow.

On the other hand, compare what the Federal Government did under foreign aid toward earthquake relief.

To Communist Yugoslavia we gave immediate relief of \$450 million, with no strings. Then we added another \$70 million.

Chile received an immediate \$100 million special appropriation.

But with Alaska, and our fellow American citizens, we raise all kinds of technicalities. We do little for the private sectors of the economy.

Yesterday, I regret, the Senate rejected some liberalizing amendments to the Alaska Omnibus Act (S. 2851). I do not like to complain, but I had hoped more could have been done. As I say, compared to foreign aid, in my opinion, Alaskans have received rather shabby treatment.

#### REPORT OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 314)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Science and Astronautics and ordered to be printed with illustrations:

#### *To the Congress of the United States:*

Pursuant to the provisions of the National Aeronautics and Space Act of 1958, as amended, I transmit herewith a report of the projects and progress of the National Aeronautics and Space Administration for the period of January 1, 1963, through June 30, 1963.

This report covers 6 months of significant and encouraging activity in the national space program. The breadth of performance promises subsequent periods of even greater accomplishment in meeting the challenge of space.

LYNDON B. JOHNSON.

THE WHITE HOUSE, July 1, 1964.

#### CALL OF THE HOUSE

Mr. SPRINGER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 175]

Ashley	Hoffman	Powell
Avery	Holifield	Rainey
Bass	Johnson, Calif.	Robison
Bennett, Mich.	Johnson, Pa.	Rogers, Tex.
Bolling	Kilburn	St Germain
Bolton,	Lankford	Senner
Frances P.	Lesinski	Sisk
Bruce	Lloyd	Smith, Calif.
Cramer	McFall	Staggers
Davis, Ga.	Miller, N.Y.	Tollefson
Diggs	Morrison	Williams
Evins	Moes	Wilson, Bob
Forrester	Norblad	
Hanna	P. Icher	

The SPEAKER. On this rollcall, 389 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### HEARING BEFORE A SELECT PANEL ON MISSISSIPPI AND CIVIL RIGHTS

Mr. BURTON of California. Mr. Speaker, I ask unanimous consent that my remarks which appeared in the Appendix of the RECORD of June 15, 1964, at pages A3228 to A3231 be included in the body of the permanent RECORD during the special order of the gentleman from New York [Mr. RYAN] to follow the remarks of the gentleman from Pennsylvania [Mr. Nix], and to precede the remarks of the gentleman from California [Mr. EDWARDS]. Mr. RYAN's special order appears in the RECORD of June 16, pages 13507 to 13524.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### CORRECTION OF THE RECORD

Mr. MAHON. Mr. Speaker, I ask unanimous consent to correct a printing error in my remarks made in the Committee of the Whole on yesterday, as follows:

The top of the middle column of page 14992 reads in part as follows: "if their vote meant that there would be no program and meant complete abandonment to communism of key areas of the world, those who voted against foreign aid would stand up and say, 'Yes, I voted for it.'"

The statement ought to read: "if their vote meant that there would be no program and meant complete abandonment to communism of key areas of the world—those who in the past have voted against foreign aid would now stand up and say, 'Yes, I now vote for it.'"

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1965

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further considera-

tion of the bill (H.R. 11812) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11812, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through line 5, page 1 of the bill.

If there are no amendments at this point, the Clerk will read.

#### LEGISLATIVE PROGRAM

Mr. ALBERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to make an announcement to the Members of the House, one in which all Members are interested. Following the disposition of this pending legislation and the resolution dealing with civil rights, and probably the conference report on the NASA authorization bill tomorrow—and there may be another conference report or two—it will be our intention to move to adjourn at the close of business tomorrow over until July 20. There is a possibility that votes on some of these matters could come up today, if they are ready.

Mr. Chairman, I would like also to state in this regard that we feel these extra few days of recess are in order. The House has been proceeding with business while the Senate has been debating for many days the civil rights bill. Today we will have finished the last of the regular appropriation bills which I believe is a pretty good record in itself. It is the first time, I believe, that we have done this this early in the year in several years. So I know we have the time. I know that the Senate has to catch up with us and I for one am very happy that we are able to do this.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, I want to say to the gentleman from Oklahoma [Mr. ALBERT], the very distinguished majority leader, that I certainly appreciate this information, as I am sure all Members on both sides of the aisle appreciate the information.

I further want to say to the gentleman that as far as I am concerned, and I am sure I speak for all of the Members on my side of the aisle, I appreciate the consideration and the courtesy that has been shown us in connection with this matter since it particularly involves us on this side of the aisle in respect to our convention, the opening sessions of which will be coming on next Monday out in San Francisco.

Mr. Chairman, I would like to say further, so there will be no misunderstanding, that in the discussions we have had looking to the accomplishment of this announcement, I have found the leadership on the majority side of the aisle to

be most desirous of being helpful and understanding of the position in which some of us found ourselves. I have known from the beginning what the desires of the Speaker and the majority leader and others in a position of leadership on the Democratic side of the aisle have been and what their position has been. So, I thank the gentleman.

If the gentleman will yield further, could I put this one further question? As I understand it, a recess resolution will be offered as we come to the conclusion of business tomorrow?

Mr. ALBERT. The gentleman is correct.

Mr. HALLECK. So that except in the event of some emergency under which the President could call us back, we would know that there would be no business on the floor of the House of Representatives until this date, July 20?

Mr. ALBERT. The gentleman is correct. Of course, we will have to wait until the Senate acts on the resolution.

Mr. HALLECK. I understand that.

Mr. ALBERT. I want to say to the gentleman and to the other Members of the House that we have had to make this announcement contingent upon the disposition of certain very important bills, as all Members I am sure know.

We could not come to this conclusion until our House was in order in that regard.

Mr. HALLECK. Will the gentleman yield for just one further observation?

Mr. ALBERT. I yield to the gentleman from Indiana.

Mr. HALLECK. I certainly appreciate that fact, and so far as we could on our side of the aisle we have attempted to cooperate in bringing about action on those measures in respect to which the gentleman referred.

Having said as much, may I again thank the majority leader and the Speaker for the consideration that they have shown us. This is the earliest the announcement could be made. Many had hoped it might be made earlier, but I think it is made in time so that Members who want to can avail themselves of the opportunity that will be presented for us on our side to go to our convention and for Members not going to the convention and certainly Members on the gentleman's side who want to do certain things during the 2 weeks' recess will have an opportunity to make their plans accordingly.

Mr. GARY. Mr. Chairman, I move to strike the last two words.

Mr. Chairman, it has come to my attention that those who desire to offer the main amendments to this bill would like to offer them en bloc. Personally, I think that would be a very good way to consider the matter. It would save time, it would expedite proceedings, but in order to do so it becomes necessary that I make a unanimous-consent request.

Mr. Chairman, I ask unanimous consent that the bill be considered as read, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia

Mr. RHODES of Arizona. Mr. Chairman, reserving the right to object, I should like to propound a question of the gentleman from Virginia:

May I ask him as to his attitude on cutting off debate on these amendments? It strikes me, with the amendments being offered en bloc, we should be generous with time, we should be generous with those Members on the committee, and the subcommittee, particularly, who might desire to have an extra period of time for debate. All in all, we want to make sure those Members who have not had a chance to express themselves will have that opportunity.

Mr. GARY. I am certain that the gentleman is asking that question for the benefit of the House, not for himself. The gentleman is well enough acquainted with me to know that I have never had any desire to cut off reasonable debate. I believe these matters should be fully debated and everyone should have an opportunity to express himself. Sometimes, of course, as debate drags on it does become necessary to offer a motion; but I assure the gentleman that before offering a motion of that kind I will consult with him and it will not be offered without his approval.

Mr. RHODES of Arizona. The gentleman from Virginia is always fair. He is absolutely correct. I merely asked the question for the information of the Members of the House, and not for myself. Of course, I knew what his attitude would be.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

#### AMENDMENTS OFFERED BY MR. PASSMAN

Mr. PASSMAN. Mr. Chairman, I offer an amendment in six parts.

The Clerk read as follows:

Amendments offered by Mr. PASSMAN:

On page 2, line 9, strike out "\$204,600,000" and insert "\$175,000,000";

On page 2, line 15, strike out "\$134,272,400" and insert "\$124,272,400";

On page 2, line 17, strike out "\$405,000,000" and insert "\$354,000,000";

On page 2, line 19, strike out "\$150,000,000" and insert "\$100,000,000";

On page 2, line 23, strike out "\$425,000,000" and insert "\$400,000,000";

On page 2, line 26, strike out "\$782,200,000" and insert "\$700,000,000".

(Mr. PASSMAN asked and was given permission to proceed for 10 additional minutes.)

Mr. PASSMAN. Mr. Chairman, I have been a Member of this body for 18 years. In debating various issues, I have never dealt in personalities. And, I have always tried to present my case as forthrightly and factually as I could.

I believe the gentleman from Michigan [Mr. FORD], a member of the subcommittee which handles the foreign aid money bill, has served on the subcommittee for 12 years, and I believe he is supporting my position this year.

Mr. FORD. That is correct. I went on the subcommittee in January 1953.

Mr. PASSMAN. I believe the gentleman from Arizona [Mr. RHODES], the ranking minority Member, has been on this subcommittee for 6 years.

Mr. RHODES of Arizona. That is correct.

Mr. PASSMAN. I believe he is supporting my views. Is that not correct?

Mr. RHODES of Arizona. That is correct.

Mr. PASSMAN. I have been on this subcommittee for 12 years; 12 plus 6 is 18, plus 12 is 30.

The gentleman from Alabama [Mr. ANDREWS] I believe has been on this subcommittee for 8 years. He, too, is supporting my position.

So that is 38 years for the four of us.

Mr. Chairman, yesterday I made this statement:

Let me say, Mr. Chairman, that most of the members of the subcommittee who attended the hearings the longest are today most assuredly supporting my position the strongest.

I knew we had these members with years of seniority who were supporting my position.

In considering the amendment before you, Mr. Chairman, if we consider it completely factually, and go according to the record, there should not be opposition to it. That, however, is too much to expect.

May I ask this question of the distinguished gentleman from Arizona [Mr. RHODES]. The aggregate of the amendment I have offered is \$247,800,000. Is that the gentleman's understanding?

Mr. RHODES of Arizona. The answer to the gentleman's question is in the affirmative. That is correct.

Mr. PASSMAN. In the event the amendment should be adopted, then the new appropriation in this bill for fiscal 1965, title I only, will be \$3,068,772,400?

Mr. RHODES of Arizona. That is the figure I have.

That would be the correct figure for new obligational authority in the next fiscal year for projects under title I.

Mr. PASSMAN. Does that sum compare with \$2,801,700,000 which the House approved last year at this point?

Mr. RHODES of Arizona. That was the figure which the House passed last year.

Mr. PASSMAN. So in the event this amendment should be adopted, we would still at this point be appropriating \$268,702,000 more than the House appropriated at this point last year?

Mr. RHODES of Arizona. That is correct as I understand it.

Mr. PASSMAN. Is it also true that there was a \$135 million nonrecurring article in this bill last year?

Mr. RHODES of Arizona. I believe that was the bill for last year.

Mr. PASSMAN. That is true.

Mr. RHODES of Arizona. Yes.

Mr. PASSMAN. There was \$135 million last year in the bill for the Inter-American social economic cooperation program, for which no funds are requested this year; is that correct?

Mr. RHODES of Arizona. That is correct. That was a nonrecurring item last year.

Mr. PASSMAN. If we should add that item to the \$268 million, the bill at this point, with the proposed amendment, is approximately \$400 million more than the House appropriated last year?

Mr. RHODES of Arizona. That is absolutely correct.

Mr. PASSMAN. I thank the gentleman.

That clears up a lot of confusion. I want to make these figures completely accurate. So, with the proposed reductions, the sum appropriated would be about \$400 million above last year at this point.

Mr. Chairman, all of us remember the point 4 technical aid program which was started under former President Truman as bilateral technical aid.

We have as the first item in my amendment the category of development grants. Last year the Congress appropriated \$155 million for this purpose.

I want to ask the distinguished minority member whether it is not true that the development grants item is basically the bilateral technical aid program with a new name? And that 90 percent of the money for this category is for technical aid?

Mr. RHODES of Arizona. That fact has been testified to repeatedly in the hearings before the subcommittee.

Mr. PASSMAN. I thank the gentleman.

Development grants—it is purely and simply technical aid. And they have a leadtime of about 12 months. It is a payroll account.

I want to ask also if it is not true that since April 6 in this category the economic aid people have deobligated and reobligated funds from 236 projects in the amount of \$50 million?

Mr. RHODES of Arizona. That is my understanding. I have not gotten the figures myself, but it is my understanding the report submitted to the Committee on Appropriations indicates that.

Mr. PASSMAN. The information is in the minority report; 236 projects are involved amounting to \$50 million. But, not a word has been said about it. That is an extra \$50 million—from April 6—of money that has been deobligated from projects and obligated in excess of the cost of the program in previous years.

Now, as to the proposed amendment, it simply means that if the House reduces this item as proposed we would still provide the Agency with \$194 million for this purpose. Is that your understanding?

Mr. RHODES of Arizona. Yes.

Mr. PASSMAN. And that is \$17 million more than was appropriated last year?

Let me say, Mr. Chairman, that in this one item, as of June 30, 1964, there was to be an estimated \$324,856,000 in unliquidated funds, which means that if my amendment is adopted, they will have a half billion dollars for use in this technical aid program.

I do not believe the leadership wants this kind of situation. I do not believe the Congress wants it.

I have summarized this matter accurately, have I not?

Mr. RHODES of Arizona. That is correct.

Mr. PASSMAN. This program is administered by the State Department, and it involves some 71,000 personnel scattered all over the world.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Minnesota.

Mr. FRASER. Is it not true that 33,000 of those are not administering this program?

Mr. PASSMAN. I have given the figure for personnel.

Mr. FRASER. They are training.

Mr. PASSMAN. I did not say anything about them administering the program. There are 71,416 people drawing a check every month.

Mr. FRASER. If I am not mistaken, the gentleman said they were administering the program.

Mr. PASSMAN. Do they have 71,416 on the payroll?

Mr. FRASER. No, sir.

Mr. PASSMAN. They do have. That information is in the hearings. Look at the figures AID gave.

Those figures are verified. There are 71,416, including the participants, who are getting a check every month from the program.

Mr. FRASER. If the gentleman will yield, there are 33,000 personnel who are in training. They are not on the payroll. They are not getting salaries. All they get are their expenses, while we train them to fight Communist subversion, and train them so that they can help to build their countries.

Mr. PASSMAN. Let me say that there are 71,416 drawing some kind of monthly compensation from the Agency. That is the record. All the debate we might engage in would not change this fact.

I will ask the gentleman from Michigan to verify the figure. Is that correct?

Mr. FORD. Mr. Chairman, if the gentleman will yield, regardless of how we label them they cost money.

Mr. PASSMAN. Yes.

Mr. FORD. The figures shown on page 132 of part 2 of the hearings for fiscal year 1965 show that participant costs are \$93,300,000. Regardless of the title we give, it is a substantial element of the cost to the taxpayers of the United States.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I will not yield further to the gentleman at this point.

I ask the distinguished gentleman from Michigan whether it is not true that we established in our hearings that 71,416 people received a monthly compensation from the aid program?

Mr. FORD. There is a chart on page 121 of part 2 of the hearings for fiscal year 1965. This is a chart which was inserted by the agency itself.

This shows that the grand total, including foreign national trainees for fiscal year 1964—dated April 30, 1963—was 70,212. That is their own chart.

Mr. PASSMAN. I will say to the gentleman that when I put out this letter I stated accurately—and this information is verified—that 71,416 people, including participants, draw monthly compensation. I do not care what category you place them in.

Now, Mr. Chairman, the second item of the proposed amendment deals with the international organizations and pro-

grams. At this point last year our committee recommended \$100 million for this purpose, and this House approved that figure. In conference we went up to \$116 million, and that was the final appropriation. Under my amendment reducing this item by \$10 million, we would still give the international organizations \$124,272,000, which is in excess of \$8 million more than Congress actually appropriated last year.

Now, in supporting assistance last year this House approved \$300 million. When the bill went to conference we came out of the conference with \$330 million. If you approve my amendment, you are still going to give this agency \$350 million, \$20 million more than was appropriated last year.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. FRASER. Mr. Chairman, I object.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

Mr. FRASER. Mr. Chairman, I withdraw the objection.

The CHAIRMAN. The objection is withdrawn.

Mr. PASSMAN. I thank the gentleman.

Moving into the contingency fund, last year we appropriated in new funds only \$50 million. Without the administration asking for reappropriation of about \$117 million we also reappropriated that money. We know now, however, that we made a mistake, because they are using it for reasons that are different than we thought they would. So my amendment, if the House approves it, simply means you would give the contingency fund \$100 million.

In development loans—or, rather, credits—for the Alliance for Progress, at this point last year the House approved \$350 million. In the final bill, \$375 million in new funds was appropriated. If you approve my amendment, you would still give \$400 million in new funds, which is \$25 million more than the final appropriation last year.

Now, in development loans—or credits—at this point last year the House approved \$600 million. In conference there was approved \$687.3 million, which was the sum appropriated. If you approve my amendment, you are still going to give this item \$700 million, which is \$100 million more than you approved at this point last year and approximately \$13 million more than the final appropriation.

So, Mr. Chairman, should we not take into account that the hassle going on here today is no different than the other 9 years it has been my privilege to work this bill as chairman of the subcommittee.

This bill, at best, is a blank check from the time we give it to them until we

bring them back in the following year. Every program is illustrative.

Now, the same arguments would be advanced against my proposals this year as the arguments which have been advanced in previous years. But, the situation is a little different this year. There is no use, however, to elaborate on that matter. But the facts of the program are the same; make no mistake about that.

As I said on yesterday, if you defeated this bill and did not give the agency a dime there would be sufficient money on hand to discharge every legal commitment out of funds which are unliquidated. So it is a question of how much you want to give away in this fiscal year 1965.

We pulled the curtain down yesterday on the approximately \$7 billion deficit. We will pull it down next June 30 on another deficit in the fiscal year 1965.

These proposals are most reasonable.

Finally, let me state that the total cost of the foreign aid bill will be in excess of \$10 billion this year; slightly in excess of \$7 billion when you pick up the 16 spigots from the same 26 agencies handling phases of foreign aid, and then if you add to that sum the interest that we pay on the money which we have borrowed to give away, it is in excess of \$10 billion.

I certainly hope that this year you will manifest the same type of confidence in me that you have in the past. I have always given you accurate and dependable figures.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. FLYNT. Mr. Chairman, I rise in opposition to the amendments.

(Mr. FLYNT asked and was given permission to revise and extend his remarks.)

Mr. FLYNT. Mr. Chairman, I rise in opposition to the amendments offered by the gentleman from Louisiana [Mr. PASSMAN]. This may come as a surprise because I have often opposed the foreign aid program and prior to my service on the Committee on Appropriations often opposed the mutual security appropriation bill considered in previous years as this one is now being considered now. My opposition, vocal, and otherwise, has been because I have had some doubts and some reservations about the philosophy of the mutual security program. But, Mr. Chairman, once the Congress acts and the mutual security program is extended year after year it then becomes my obligation to myself and to my country in conformity with the oath which I have six times taken in the well of this House to do my best to uphold the laws of this country, to make them work as best as they can work, and to make this program a success.

It is with that thought in mind, Mr. Chairman, that I ask this committee to sustain the action of the subcommittee and to sustain the Committee on Appropriations by voting to reject the amendments offered by the gentleman from Louisiana.

Mr. Chairman, the purpose of the foreign assistance program is to promote

the security of the United States by providing assistance and encouragement to other nations of the world so that they can grow in political freedom, national independence, and economic security.

As these objectives are realized, the likelihood of such nations coming under the influence of our enemies is lessened and their ability to assist us in shouldering the burdens of the free world is increased. As they grow in economic strength, international trade, essential to the prosperity of the United States and to the employment of American citizens, will increase.

Mr. Chairman, I have quoted a paragraph from the majority portion of the report which accompanies this bill, H.R. 11812.

Mr. FORD. Mr. Chairman, will the gentleman from Georgia yield?

Mr. FLYNT. I gladly yield to the gentleman from Michigan.

Mr. FORD. The gentleman from Georgia supported the majority of the subcommittee and the majority in the full committee that recommended an appropriation in title I of \$3,316,572,400, and in title II, a figure of \$422,677,000, or a total appropriation in fiscal 1965 of \$3,739,249,400.

Do I gather from the gentleman's previous support in the subcommittee and in the full committee that he intends to vote for the bill at that figure?

Mr. FLYNT. I hope that the gentleman from Michigan for whom I have a very high and warm regard—

Mr. FORD. I appreciate the gentleman's thoughts.

Mr. FLYNT. Certainly understands the gentleman from Georgia in his remarks to say that the gentleman from Georgia will support the bill as reported by the committee, if these amendments are rejected.

Mr. FORD. If the gentleman will yield further, has the gentleman in the past supported the foreign aid appropriation bill?

Mr. FLYNT. I will say to the gentleman from Michigan if he had listened to my opening remarks, he would have heard me say there have been times when I have opposed it and there have been times when I have supported it. When I have opposed it I have done so because I had some doubts and some reservations about the philosophy behind it. But once it is enacted into law and becomes the law of this country, then if I am to be true to the oath that I take in the well of this House at the beginning of every Congress, then it is my responsibility, as it is the responsibility of the gentleman from Michigan, to make it work and to make it a success, because if it is the foreign policy of this country then it is necessary that it be a success.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(Mr. FLYNT asked and was given permission to proceed for 3 additional minutes.)

Mr. FLYNT. Mr. Chairman, let there be no doubt, as I just replied to my good friend the gentleman from Michigan [Mr. FORD], that I am going to support this bill.

The Committee of the Whole House on the State of the Union will have the full opportunity to work its will under the processes and rules and procedures of this great body in which we serve.

Mr. Chairman, I have been the subject of a personal attack, of vituperation by the gentleman from Louisiana. He has charged everyone who disagreed with him on this measure with being actuated by lack of integrity and by a lack of motivation.

Mr. Chairman, it is almost this simple. We are confronted with the choice of letting the President of the United States set the foreign policy of this country or letting the gentleman from Louisiana set it.

Mr. Chairman, as far as motivation, integrity, and character are concerned, when the gentleman from Louisiana stands on one side and the chairman of the Committee on Appropriations the gentleman from Texas [Mr. MAHON] and our great President of the United States stand on the other side, then to paraphrase Joshua of the Old Testament, as for me and my house I choose the gentleman from Texas [Mr. MAHON] and the President of the United States, and by them I shall stand.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike the requisite number of words.

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Florida.

Mr. HALEY. Mr. Chairman, I have just handed to the gentleman from Arizona [Mr. RHODES], who is now in the well of the House, a five-page document, and I would like to ask the gentleman about it. It carries a total of \$1,057 million in loans to various and sundry nations on the earth that have been made in the last 12 months.

I would like to ask the gentleman to explain to me for the benefit of the Members of this House what is included, the time limit on these loans, and the amount of interest that is paid on these loans.

Mr. RHODES of Arizona. The document the gentleman refers to, which he handed to me, is headed "Loans Made by the Agency for International Development to Foreign Countries During Calendar Year 1963 at Three-fourths of 1 Percent for 40 Years."

The source of material is "Status of Loan Agreements—W-224, Agency for International Development of March 31, 1964."

To answer the question specifically, this is a list of loans that were made in 35 different countries throughout the world. The terms are 40 years for repayment. I might add for the gentleman's benefit there is also a 10-year grace period before any repayment begins.

The interest rate is three-fourths of 1 percent per annum.

I may say to the gentleman parenthetically that the use of the word "interest" is a misnomer when applied to a rate of three-fourths. This is a service charge, and there really is no interest paid on these particular loans.

These loans are called soft loans, because they are not loans of a high quality which could be made by private banks or by the Export-Import Bank, or by any of the other lending institutions. There is doubt about the collectability of these loans. May I again say that the word "loan" is a misnomer. Maybe it would be better to say they are gifts with three-fourths of 1 percent service charge. There is that much doubt about repayment.

Mr. HALEY. They also cover practically every conceivable thing in the world that this money is to be used for—roads, colleges, various and sundry things. We do not know where they are, when they will be built, or anything about them. Is that correct?

Mr. RHODES of Arizona. That is correct. Neither the Appropriations Committee nor the legislative committee have any way of knowing what projects these loans are to finance. We only know what the loans will finance after they are contracted, and the funds obligated.

Mr. HALEY. I include this document in the RECORD so that the American people can see what is happening to their hard-earned dollars:

*Loans made by the Agency for International Development to foreign countries during calendar year 1963 at ¾ of 1 percent for 40 years<sup>1</sup> (repayable in dollars)*

LATIN AMERICA

Country	Borrower purpose	Date of loan agreement	Number of years repayment	Interest rate	Amount of loan
Argentina.....	Government of Argentina, Central Housing Bank.....	June 3, 1963	40	¾	\$12,500,000
Do.....	Government of Argentina, Route 12 road project.....	Jan. 21, 1963	40	¾	6,700,000
Do.....	Government of Argentina, road program loan.....	Mar. 18, 1963	40	¾	30,500,000
Do.....	Government of Argentina, feasibility studies.....	June 3, 1963	40	¾	3,000,000
Do.....	Government of Argentina, grain storage facilities.....	Oct. 10, 1963	40	¾	21,700,000
Bolivia.....	Government of Bolivia, access roads.....	Aug. 1, 1963	40	¾	7,200,000
Do.....	Government of Bolivia, La Paz-El Alto Highway.....	Aug. 17, 1963	40	¾	3,400,000
Do.....	Government of Bolivia, El Alto customs center.....	do.....	40	¾	2,200,000
Do.....	Banco Industrial, S.A., assist in financing subloans.....	do.....	40	¾	2,400,000
Do.....	Government of Bolivia, agricultural bank.....	do.....	40	¾	3,700,000
Brazil.....	Credito E Financiamento S.A., development bank.....	Mar. 6, 1963	40	¾	4,000,000
Do.....	CIA. de Carbonos Coloides, carbon black plant.....	Mar. 11, 1963	40	¾	2,000,000
Do.....	Government of Brazil, emergency stopgap assistance.....	Apr. 24, 1963	40	¾	25,500,000
Do.....	Super Desenvolvimento, N.E., emergency electric power.....	Oct. 29, 1963	40	¾	2,400,000
Chile.....	Government of Chile, development program.....	Jan. 31, 1963	40	¾	35,000,000
Colombia.....	Government of Colombia, feasibility studies.....	June 26, 1963	40	¾	4,000,000
Do.....	National Housing Institute of Colombia, self-help housing.....	do.....	40	¾	7,500,000
Do.....	Colombian Institute of Agrarian Reform, supervised agricultural credit.....	do.....	40	¾	10,000,000
Do.....	Government of Colombia, mineral resources survey.....	Sept. 18, 1963	40	¾	2,000,000
Costa Rica.....	Banco Nacional de Costa Rica, agricultural development.....	July 23, 1963	40	¾	5,000,000
Do.....	Republic of Costa Rica, slum replacement housing.....	do.....	40	¾	2,000,000
Do.....	Republic of Costa Rica, Cahui hydroelectric project.....	do.....	40	¾	1,500,000
Do.....	Republic of Costa Rica, metro emergency water supply.....	do.....	40	¾	1,400,000
Do.....	Republic of Costa Rica, IBRC/AIC highway program.....	do.....	40	¾	2,100,000
Do.....	C.O. F.I.S.A., financing subloans.....	Dec. 23, 1963	40	¾	5,000,000
Dominican Republic.....	National Housing Bank, Savings and Loan Association.....	Jan. 2, 1963	40	¾	2,100,000
Ecuador.....	Government of Ecuador, Quito, Quevedo Rd.....	Sept. 1, 1963	40	¾	2,700,000
Do.....	Government of Ecuador, economic and engineering studies.....	Sept. 4, 1963	40	¾	2,000,000
Do.....	Government of Ecuador, administrative and fiscal reform.....	Sept. 2, 1963	40	¾	1,600,000
El Salvador.....	Republic of El Salvador, primary school construction.....	Sept. 18, 1963	40	¾	2,400,000
Do.....	Republic of El Salvador, agricultural loan program.....	do.....	40	¾	8,900,000
Do.....	Republic of El Salvador, INSAFI.....	do.....	40	¾	4,500,000
Honduras.....	Government of Honduras, small water systems.....	Aug. 22, 1963	40	¾	1,050,000
Jamaica.....	Government of Jamaica, project assistance.....	Nov. 29, 1963	40	¾	1,500,000
Nicaragua.....	Government of Nicaragua, Las Mercedes Airport.....	Jul. 25, 1963	40	¾	1,000,000
Panama.....	Instituto de Acueductos, water supply and sewerage system.....	Feb. 6, 1963	40	¾	6,000,000
Peru.....	Government of Peru, Lima, water sewerage.....	Mar. 15, 1963	40	¾	8,600,000
Do.....	Government of Peru, feasibility studies.....	do.....	40	¾	3,000,000
Uruguay.....	Banco Hipotecario del Uruguay, home construction.....	Feb. 28, 1963	40	¾	6,000,000
Venezuela.....	Central American Bank for Economic Integration, feasibility studies.....	Nov. 29, 1963	40	¾	2,500,000
Do.....	Central American Bank for Economic Integration, home loan department.....	do.....	40	¾	10,000,000

Footnote at end of table.

Loans made by the Agency for International Development to foreign countries during calendar year 1963 at  $\frac{3}{4}$  of 1 percent for 40 years<sup>1</sup>  
(repayable in dollars)—Continued

Country	Borrower purpose	Date of loan agreement	Number of years repayment	Interest rate	Amount of loan
FAR EAST					
Korea	Government of Korea, Changsong Coal Mine District	Dec. 7, 1963	40	$\frac{3}{4}$	\$9,500,000
NEAR EAST AND SOUTH ASIA					
Afghanistan	Government of Afghanistan, Ariana Afghan Airlines	Mar. 23, 1963	40	$\frac{3}{4}$	\$2,625,000
Do.	Government of Afghanistan, transport equipment	Dec. 3, 1963	40	$\frac{3}{4}$	2,000,000
India	Government of India, Ramagundam thermal power	May 21, 1963	40	$\frac{3}{4}$	8,400,000
Do.	Government of India, Delhi C thermal power	Mar. 8, 1963	40	$\frac{3}{4}$	16,000,000
Do.	Government of India, Satpura thermal power	do.	40	$\frac{3}{4}$	25,100,000
Do.	Government of India, central ropeway F project	Oct. 21, 1963	40	$\frac{3}{4}$	7,700,000
Do.	Government of India, nonproject imports	Feb. 25, 1963	40	$\frac{3}{4}$	240,000,000
India	Government of India, Chandrapura thermal stage II	Oct. 21, 1963	40	$\frac{3}{4}$	16,000,000
Do.	Government of India, fifth railway loan	Oct. 21, 1963	40	$\frac{3}{4}$	15,850,000
Do.	Government of India, Cuga coal washery plant	Nov. 29, 1963	40	$\frac{3}{4}$	5,100,000
Do.	Government of India, Tarapur nuclear power	Dec. 7, 1963	40	$\frac{3}{4}$	80,000,000
Nepal	Government of Nepal, Nepal Industrial Development Corp.	Dec. 8, 1963	40	$\frac{3}{4}$	1,000,000
Pakistan	Government of Pakistan, sawmill and timber extraction	Oct. 23, 1963	40	$\frac{3}{4}$	2,200,000
Do.	Government of Pakistan, malaria eradication program	Feb. 28, 1963	40	$\frac{3}{4}$	3,800,000
Do.	Government of Pakistan, airport and airways equipment	Mar. 22, 1963	40	$\frac{3}{4}$	2,100,000
Do.	Government of Pakistan, saline content and reclamation project No. 2	do.	40	$\frac{3}{4}$	10,800,000
Do.	Government of Pakistan, general commodities, 2d.	Mar. 27, 1963	40	$\frac{3}{4}$	30,000,000
Do.	Government of Pakistan, Cbalna anchorage project	Mar. 22, 1963	40	$\frac{3}{4}$	3,600,000
Do.	Government of Pakistan, feasibility studies	Mar. 27, 1963	40	$\frac{3}{4}$	2,000,000
Do.	Government of Pakistan, CPS and maintenance, Reehna DCAB project	Aug. 15, 1963	40	$\frac{3}{4}$	750,000
Do.	Government of Pakistan, coastal embankment project	do.	40	$\frac{3}{4}$	6,500,000
Do.	Government of Pakistan, general consultants	do.	40	$\frac{3}{4}$	4,400,000
Do.	Government of Pakistan, 3d commodity loan	Sept. 28, 1963	40	$\frac{3}{4}$	70,500,000
Do.	Government of Pakistan, general services in public health	Dec. 9, 1963	40	$\frac{3}{4}$	1,500,000
Do.	Government of Pakistan, investigative services	Nov. 20, 1963	40	$\frac{3}{4}$	5,600,000
Do.	Government of Pakistan, 5th railway loan	do.	40	$\frac{3}{4}$	14,500,000
Do.	Government of Pakistan, telecommunication expansion	Oct. 23, 1963	40	$\frac{3}{4}$	4,700,000
Do.	Government of Pakistan, machinery pool organization, WAPCA	Dec. 9, 1963	40	$\frac{3}{4}$	5,000,000
Do.	Government of Pakistan, mechanical equipment	Nov. 20, 1963	40	$\frac{3}{4}$	1,500,000
Turkey	Government of Turkey, Keban and Ciceröz feasibility studies	July 15, 1963	40	$\frac{3}{4}$	350,000
Do.	Government of Turkey, feasibility studies	Oct. 15, 1963	40	$\frac{3}{4}$	3,000,000
Do.	Government of Turkey, general commodities	Sept. 11, 1963	40	$\frac{3}{4}$	35,000,000
United Arab Republic, Egypt	Government of United Arab Republic, Cairo west power project	Feb. 20, 1963	40	$\frac{3}{4}$	30,600,000
Do.	Government of United Arab Republic cardboard project	Nov. 12, 1963	40	$\frac{3}{4}$	5,700,000
AFRICA					
Cameroon	Government of Cameroon, extension of railway system	Aug. 27, 1963	40	$\frac{3}{4}$	\$9,200,000
Ethiopia	Government of Ethiopia, 3d highway program	Dec. 2, 1963	40	$\frac{3}{4}$	4,000,000
Ivory Coast	Government of Ivory Coast, highway equipment	Nov. 29, 1963	40	$\frac{3}{4}$	1,700,000
Liberia	Government of Liberia, national medical center	Dec. 5, 1963	40	$\frac{3}{4}$	5,300,000
Do.	Monrovia Power Authority, MT Coffee hydroelectric project	Sept. 26, 1963	40	$\frac{3}{4}$	24,300,000
Do.	Government of Liberia, Monrovia Junior-Senior High School	Oct. 23, 1963	40	$\frac{3}{4}$	1,700,000
Mali	Government of Mali, teachers training college	Dec. 4, 1963	40	$\frac{3}{4}$	2,100,000
Do.	Government of Mali, central veterinary laboratory at Bamako	do.	40	$\frac{3}{4}$	1,100,000
Niger	Government of Niger, development bank	do.	40	$\frac{3}{4}$	500,000
Nigeria	Government of Nigeria, Ibadan water supply	do.	40	$\frac{3}{4}$	12,100,000
Do.	Government of Nigeria, Calabar-IKCM road	do.	40	$\frac{3}{4}$	8,600,000
Somalia	Government of Somalia, Chisimaic port	do.	40	$\frac{3}{4}$	3,600,000
Sudan	Government of Sudan, industrial development bank	July 14, 1963	40	$\frac{3}{4}$	2,000,000
Do.	Government of Sudan, Khartoum sewerage	Dec. 7, 1963	40	$\frac{3}{4}$	3,800,000
Tanganyika	Government of Tanganyika, Cares Salaam water supply system	May 20, 1963	40	$\frac{3}{4}$	2,200,000
Do.	Government of Tanganyika, urban water supplies	Dec. 4, 1963	40	$\frac{3}{4}$	1,300,000
Do.	Government of Tanganyika, university college	Oct. 9, 1963	40	$\frac{3}{4}$	800,000
Do.	Government of Tanganyika, teacher training college	Dec. 4, 1963	40	$\frac{3}{4}$	800,000
Do.	Government of Tanganyika, commodity development training center	do.	40	$\frac{3}{4}$	250,000
Do.	Government of Tanganyika, agricultural college	do.	40	$\frac{3}{4}$	1,250,000
Do.	Government of Tanganyika, program loan	Dec. 6, 1963	40	$\frac{3}{4}$	1,000,000
Do.	Government of Tanganyika, electrical equipment	do.	40	$\frac{3}{4}$	300,000
Tunisia	Government of Tunisia, water and irrigation projects	Feb. 15, 1963	40	$\frac{3}{4}$	2,400,000
Do.	Government of Tunisia, commodity assistance	June 20, 1963	40	$\frac{3}{4}$	15,000,000
Do.	Government of Tunisia, construction of university	Oct. 31, 1963	40	$\frac{3}{4}$	1,800,000
Do.	Government of Tunisia, agricultural equipment	do.	40	$\frac{3}{4}$	6,500,000
Uganda	Government of Uganda, development bank	Oct. 4, 1963	40	$\frac{3}{4}$	2,000,000
Do.	Government of Uganda, secondary schools	Oct. 11, 1963	40	$\frac{3}{4}$	2,400,000
Grand total for all countries					1,057,925,000

<sup>1</sup> Source: "Status of Loan Agreements" (W-224), Agency for International Development, as of Mar. 31, 1964, Office of the Controller, AID.

Country and total amount	
Argentina.....	\$74,400,000
Bolivia.....	18,900,000
Brazil.....	33,900,000
Chile.....	35,000,000
Colombia.....	23,500,000
Costa Rica.....	17,000,000
Dominican Republic.....	2,100,000
Ecuador.....	6,300,000
El Salvador.....	15,800,000
Honduras.....	1,050,000
Jamaica.....	1,500,000
Nicaragua.....	1,000,000
Panama.....	6,000,000
Peru.....	11,600,000
Uruguay.....	6,000,000
Venezuela.....	12,500,000
Korea.....	9,500,000
Afghanistan.....	4,625,000
India.....	414,150,000
Nepal.....	1,000,000
Pakistan.....	169,450,000
Turkey.....	38,350,000
United Arab Republic (Egypt).....	36,300,000
Cameroon.....	9,200,000
Ethiopia.....	4,000,000
Ivory Coast.....	1,700,000
Liberia.....	31,300,000
Mali.....	3,200,000
Niger.....	500,000
Nigeria.....	20,700,000
Somalia.....	3,600,000
Sudan.....	5,800,000
Tanganyika.....	7,900,000
Tunisia.....	25,700,000
Uganda.....	4,400,000
Total.....	1,057,925,000

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, as I am quite sure everyone here knows, I started with these kinds of programs back in 1947 when I was majority leader of the 80th Congress. I have voted for these programs since that time. There have been times when I voted for cuts in the amount of money to be provided.

A number of Members have spoken to me about what my position might be in respect to the pending amendment. There is some question about it, apparently.

I want to say to the gentleman, for whatever it is worth, that I expect to support the amendment that is presently pending.

Mr. RHODES of Arizona. I thank the gentleman.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, it is very important to keep the record straight. My friend from Georgia knows very well I have never spoken an unkind word about him.

I read verbatim from the gentleman's proposed amendment to our committee's bill. I am going to quote him again:

Mr. Chairman, this amendment is proposed and offered for two purposes:

First. To write into law that the mutual security program shall not be paid for by deficit financing; and

Second. To make another genuine attempt to balance our national budget, bring an end to deficit financing and make some payments on the existing national debt.

I am going to refuse to get into personalities.

Mr. RHODES of Arizona. Mr. Chairman, I have already mentioned in the colloquy with the gentleman from Florida the category known as development loans. We mentioned that these are soft loans. They are made around the world for purposes for which it would be impossible to get regular loans. These loans are now repayable in dollars, but those made prior to 1961 were repayable in local currencies. In other words, we loaned dollars and were repaid in the currency of the country to which the loan was made.

We are asking that the appropriation for this category of aid in the next fiscal year be \$700 million. In the bill you have before you the figure is \$782,200,000. The request from the administration was \$922,200,000.

Mr. Chairman, it is always well to look at each of these programs and see what the pipeline is, how much money is left to pay for the items which have been contracted for and the programs which are underway. I should like to say to you now that the pipeline for development loans as of June 30, 1964, is estimated to be the sum of \$2,106,694,000. In other words, Mr. Chairman, at the rate that the administration apparently intends to obligate funds for the next fiscal year, it now has a pipeline which without any addition whatsoever would carry this program for the next 3 fiscal years.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

(By unanimous consent, Mr. RHODES of Arizona was allowed to proceed for 5 additional minutes.)

Mr. RHODES of Arizona. The program must be considered in toto. It is not enough to ask merely what the appropriation is for this year. When we consider the proper level for new obligational authority for this year, it is necessary to see what has been appropriated, what has been expended, and what is left unobligated. I remind the Members of the House that when they consider this amendment, that compared to a \$2,100 million pipeline, a cut of some \$82 million is picayunish. We probably should apologize for not trying to cut it more, but we think this is a reasonable figure and a figure every Member of the House should be delighted to support. It errs on the side of generosity.

Another category which I should like to mention, because this is a category in which we do not make deep cuts, is the Alliance for Progress. There is no amendment to be offered to cut the category known as "development grants for the Alliance for Progress." That is a figure of some \$85 million. This is the budget estimate. We will ask that the House appropriate the full amount. This is an amount for the purpose of

grant aid in the areas of South and Central America which are our back door. It is needed down there. It is needed to help prime the pump of many of the economies down there. We have not asked for any cuts whatsoever in that particular category.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. GROSS. Whether the amendment is adopted or not, but certainly if the amendment is not adopted, would the gentleman not think that this bill would contribute to the debt and deficit of this country?

Mr. RHODES of Arizona. Of course, the gentleman from Iowa knows full well it will contribute to the debt and deficit of this country. We have noticed in the papers the last few days the probable deficit for this fiscal year will be some \$8 billion. The figures for the projected deficit for the next fiscal year, so far as I know, are not available. But certainly this program, along with the other programs which the Government has, contribute to the deficit.

Mr. GROSS. It seems strange that one of the now strong supporters of this bill, the gentleman from Georgia [Mr. FLYNT], made the statement that he could not support the foreign handout program until the budget is balanced and there is an end to deficit spending. I just do not understand how a man could make that statement and still support this bill.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Virginia.

Mr. GARY. Is it not a fact that the \$50 billion we are spending for the defense of this country also adds to the deficit of the country?

Mr. RHODES of Arizona. I tried to make it clear that each expenditure of the Federal Government adds to the deficit in some measure. I have never thought that you could pick out any one item and say that it alone is responsible for the deficit.

Mr. GARY. I say it contributes to the deficit. I did not say that it was responsible for the deficit. But it does contribute as do all other expenditures. I agree with the gentleman thoroughly.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. GROSS. Was not the statement directed exclusively to the foreign aid bill, and I am referring to the statement that was read here?

Mr. RHODES of Arizona. I have to confess to the gentleman from Iowa that at the time the statement was read I was trying to prepare my own remarks.

Mr. GROSS. Maybe we ought to have the statement read again.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. ICHORD. Can the gentleman give us any of the specific projects which

this amendment will eliminate if it is adopted?

Mr. RHODES of Arizona. It would be impossible to give the gentleman any specific projects which this amendment would eliminate. I will tell you why. We never know what the projects will be until they tell us what they have been. It is not necessary for them to come in and justify this \$700 million in advance. They do not know for sure themselves what the money will be for. They give us illustrative projects because the authorizing legislation allows them to do so. In other words, they give us some idea or, as I say, present illustrative projects for which they may obligate this money. They never really know.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. GALLAGHER. Would the gentleman from Arizona also like to include in the concept of the pipeline the fact that there is a pipeline exceeding \$3 billion so far as the military pipeline is concerned and in the agricultural pipeline there is an amount of about \$5 billion?

Mr. RHODES of Arizona. If the gentleman from New Jersey feels that that is relevant, he has just put it in the CONGRESSIONAL RECORD and I see no reason why any Member should object to it being there.

Mr. GALLAGHER. I do not want anyone to think that the pipeline concept is exclusively the property of the foreign aid program.

Mr. RHODES of Arizona. There certainly are other pipelines. I think it is up to the Members of the Congress to look at each and every one of them to make sure that there is not too much latitude being given to the executive department.

Mr. GALLAGHER. I thank the gentleman.

Mr. RHODES of Arizona. I would also like to mention the fact that the cut which we propose for the development loan section for the Alliance for Progress is only in the amount of \$25 million. Four hundred and sixty-five million dollars was asked for. The bill contains \$425 million. We proposed to make it \$400 million. However, with the contingency fund, Mr. Chairman, it is a little bit different. The amount appropriated last year was \$50 million. The request is \$150 million.

The CHAIRMAN. The time of the gentleman from Arizona has again expired.

(Mr. RHODES of Arizona asked and was given permission to proceed for an additional 5 minutes.)

Mr. RHODES of Arizona. We will be asking for an appropriation of \$100 million.

It has been said that there was a large carryover of funds available for the contingency fund last year, and that is correct. With the amount appropriated and the amount of carryover there was \$177 million available for expenditure from the contingency fund in this fiscal year.

It has been said—and, so far as I know, the figures are accurate—that practically

all the available funds have been used. But how were they used, Mr. Chairman?

This contingency fund, under the law which set it up, is a contingency fund for economic assistance only. It is not for military assistance, but for economic assistance. The military assistance has its own contingency fund of \$300 million in military equipment which can be transferred at the request of the President of the United States, without reference to Congress or to anyone else to the military assistance program.

However, the circumvention of the intent of Congress was accomplished in the following way: \$75 million was transferred from the contingency fund to other categories of economic assistance. I do not know whether the money went to development loans or to supporting assistance or to development grants. That is irrelevant. The money was transferred to some categories of economic assistance. Then, using the 10-percent transferability, which is another portion of the law, the same money was transferred out of these categories and into the military assistance fund.

Mr. Chairman, let me pose a question to the Members of the House. If this is not a very bald circumvention of the intent of Congress—in fact, the clear meaning of the law—I have never seen one.

This is not anything new. It has been done before. This is not a castigation of the present administration. This is merely another instance in which once again the intent of Congress has been flouted by people who have done so because they believe they know better how to set up this program than the Members of Congress elected by the people. I believe they are wrong, and it is my hope that by adopting the amendment we will show them that the House also believes they are wrong.

What will be the effect of this? We will appropriate \$100 million for this particular fiscal year. Taking the \$75 million which I claim was misused out of the funds for last year, the administration had available \$102 million. So the amendment, in effect, would only cut the administration by \$2 million compared to the amount of money available for the contingency fund in the past fiscal year.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Minnesota.

Mr. FRASER. I thank the gentleman for yielding. I was interested in the point that the gentleman felt that the transfer of funds out of the contingency fund to replenish economic funds which in turn were transferred to the military was improper, and perhaps an illegal use of the funds. At least, he felt it was improper.

Mr. RHODES of Arizona. I believe I said that it was against the manifest intent of Congress.

Mr. FRASER. I wanted to call to the attention of the gentleman the minority views filed in connection with the authorization bill. The following Members signed the minority views: ADAIR, GROSS, BERRY, DERWINSKI, BATTIN, and THOMSON.

In effect they expressly approved that practice, by itemizing the fact that transferability was available into the military assistance funds in precisely the manner the gentleman is now characterizing as wholly improper. I wonder if the gentleman has had an opportunity to read those views?

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Indiana. His name was used in vain.

Mr. ADAIR. I say to the gentleman that the minority members mentioned certainly did not approve of this method of using the contingency fund.

Mr. RHODES of Arizona. I thank the gentleman from Minnesota for bringing up this subject, so that the implication could be refuted by the gentleman from Indiana.

Mr. FRASER. May I read the language?

Mr. RHODES of Arizona. I am sorry; I do not have enough time for that.

Mr. Chairman, in closing I should like to reiterate something that the gentleman from Louisiana said. The category of development grants is nothing more than the technical assistance program we have known in the past. It is a program with certain merits, but certainly it is one which, in the time we live—a time of deficits, a time of outflow of gold and the like—we should watch very carefully.

The amendment asks for an appropriation of \$175 million.

The amount requested was \$224 million. The amount in the bill was \$204.6 million. We feel it is a very reasonable cut, and we ask you to support us on that amendment.

The CHAIRMAN. The time of the gentleman from Arizona has again expired.

(Mr. GURNEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GURNEY. Mr. Chairman, the annual international giveaway program is before the House once again. The already overburdened taxpayers of the United States are once more being asked to shell out their hard-earned dollars in support of most of the rest of the world.

President Johnson has the cynical effrontery to term his foreign aid request of this year of \$3.5 billion, as a "bare boned" kind of giveaway. I shudder to think that he might term as a "fatted" proposal.

I believe that this proposed foreign aid spending of \$3.3 billion plus an additional \$422 million in other programs of foreign aid is spending in the most reckless manner. It is not in the best interests of this Nation.

It is incredible to believe that with the President proposing a war against American poverty on the one hand, he seriously urges on the other that the United States spend \$3¾ billion for foreign aid.

This whole program is a kind of Alice in Wonderland business. Sometimes I question whether the persons responsible for the program do not live in a dream world all their own.

For example, this Nation is presently financing over 4,000 separate projects scattered all over the face of the earth. Over 71,000 persons are on the payroll. Here is a wonderful example of burgeoning bureaucracy. Although last year the Congress finally managed to cut the foreign aid program back by a big amount, nevertheless the number of employees increased by 7,000 over the year before.

No Federal Government program has ever been administered so irresponsibly. Congress is almost without control over the spending of the money. The program is so flexible, it is like a piece of spaghetti. For example, the AID can justify the appropriation of money for the building of a dam on one continent and use this requested money to build a bridge on another continent.

The minority committee views this year accurately term the foreign aid estimates "of the wildest sort."

Every year, the President comes to the Congress shedding great crocodile tears that unless we spend more billions on stocking this international gift shop that we will get to be known as a tightwad around the world, and that our foreign relations will be irreparably damaged.

The facts show otherwise. Last year, President Kennedy made an initial request of \$4,945 million using these same "last ditch stand" arguments. The Congress appropriated \$3 billion. This year witness after witness, including Secretary of State Rusk, AID boss Bell and his key assistants all testified that the \$3 billion carried on an adequate program.

If last year's program of \$3 billion was adequate, why do we need three-fourths of a billion more for this year?

What is tight about the budget figure? It strikes me the belt is so loose here the foreign aid pants are about to fall off.

We are now aiding the fantastic total of 99 foreign countries. I say it is time to start aiding the American taxpayers by stopping this nonsense.

We have a serious gold outflow from our Nation which is dangerously undermining our whole monetary structure. If foreign countries called upon us tomorrow to pay up their gold claims, it could bring us to our financial knees—to bankrupt us. The foreign aid program contributes mightily to this gold outflow. In the 5 years ending December 31, 1963, 57 countries who received \$12½ billion of foreign aid from the United States bought approximately \$7 billion of our gold.

Although again this year there was the anguished cry, we must continue the aid else the world will be in dire straits, there is today \$7 billion of unexpended foreign aid from other years.

We have even forced foreign aid upon nations who have refused it. In 1964 Cambodia rejected our aid. Five months later AID obligated \$1.65 million in funds in that country.

The foreign aid program is supposed to be an economic weapon against the spread of communism. Again and again we are confronted with the evidence that the people of the particular foreign nation have no idea that the United States is aiding them.

There is abundant evidence that much of our money is pocketed by the foreign politicians and does not reach the people.

Indonesian President Sukarno is a striking example of how ineffective foreign aid is as an arm of foreign policy. Ever since 1957, when Sukarno announced his "guided democracy"—or inclusion of Communists in his government, he has been playing both sides of the street. An inkling of what was to come was displayed by Sukarno at that time. After a spectacularly publicized visit to the United States, and solemn pledges of friendship, Sukarno flew off to Red China and Russia, where he denounced U.S. "imperialism."

More recently, however, Sukarno has grown bolder. To Ambassador Howard Jones' face, Sukarno barked: "You can go to hell with your aid." What did this public slap accomplish? Did it draw a stinging rebuke by our Government? Of course not. It drew the response the wily Sukarno knew it would. Our State Department is scurrying around trying to mollify Mr. Sukarno. And Mr. Sukarno is taking our aid, and Russia's aid, and everybody's aid, and turning it against newly formed Malaysia to satisfy his insatiable thirst for power. I might add that this is an old tact Sukarno employs to divert his people's attention from internal strife. He did the same in demanding possession of West Irian. He rattled his swords and temporarily distracted attention from his faltering economy. As for threats to invade West Irian, one Indonesian official summed up the situation thusly: "How would we get there, with water wings?"

It is high time we took the real fat out of this foreign aid program. Last year, the House took a good whack out of it and it improved the program. I say let us take another healthy whack out of it this year—and we will improve it some more.

This Nation cannot continue to be Santa Claus to the rest of the world—99 foreign countries. We are seriously injuring our own financial structure. We are taking dollars from our people who can ill afford to give them—to help in many instances nations who not only are unfriendly to us but who actively side with the Russians.

The old saying "You cannot buy friendship" was never truer than in the foreign aid program. It is not even gaining this Nation respect.

I say it should be cut down drastically.

Mr. ROONEY of New York. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, we are certainly now living in a great day and age. Who would ever think that a certain Member of the other body would already have a majority of the delegates sewed up for the coming Republican National Convention?

Who would think that the distinguished gentleman from Indiana [Mr. HALLECK] who was majority leader, if you please, in the 83d Republican Congress, would take the position that he takes today when he says that he will vote to adopt the pending amendment to further cut this bill by almost a quarter billion dollars.

Well, let me tell you this, and I say this particularly for the benefit of the newer Members of this body. It was on July 22, 1953, at page 9560 of the CONGRESSIONAL RECORD, that the distinguished gentleman from Indiana, then the majority leader of this body, in opposing an amendment offered by the gentleman from New York [Mr. COUDERT] to reduce and curtail the amount carried in the then pending appropriation bill for foreign aid or mutual security said:

Mr. Chairman, I think this program is improperly called a foreign aid program. It is not that. It has to do with the military security and defense of the United States, at least in its principal effects.

And do you know what the distinguished gentleman from Indiana [Mr. HALLECK] was doing at that very time? He was sustaining an appropriation bill such as this and opposing any further reduction in regard thereto. The bill he was supporting carried not the amount of money to wit: \$3.3 billion plus today contained in this bill but \$4.428 billion plus \$1.758 billion of unobligated carryovers, a total availability then recommended by my friend the distinguished gentleman from New York, Mr. Taber, then chairman of the House Committee on Appropriations, of \$6.186 billion.

Mr. FORD. Mr. Chairman, will the distinguished gentleman from New York yield?

Mr. ROONEY of New York. I shall be delighted to yield to my distinguished friend from Michigan.

Mr. FORD. Of course, in 1953 the gentleman from New York well knows that we were not putting into the foreign aid program, as we are at the present time, over \$1.5 billion per year in Public Law 480 funds. He also well knows that in 1953—

Mr. ROONEY of New York. Did the gentleman oppose enactment of Public Law 480?

Mr. FORD. I am sorry. I did not understand the question.

Mr. ROONEY of New York. Did the gentleman oppose enactment of Public Law 480?

Mr. FORD. Of course I do not. I am only trying to make a point here.

Mr. ROONEY of New York. Not you do not; you did not.

Mr. FORD. I am trying to make the point here that in 1953 you did not have the benefit of \$1.5 billion where you have it today in Public Law 480 for the foreign aid program.

Mr. ROONEY of New York. The distinguished gentleman from Michigan misses the main point. The gentleman from Indiana [Mr. HALLECK] his leader said:

That this program is improperly called a foreign aid program. It is not that. It has to do with the military security and defense of the United States.

I say that the very same situation prevails today. Who knows better than the distinguished gentleman from Michigan what is going on militarily in southeast Asia today and what is presently going on in the island of Cyprus in the Mediterranean between the Greeks and the Turks? Who knows better than the distinguished gentleman from Michigan

the turbulent situation caused by the Communists all over the world?

Mr. FORD. I am very grateful for the kind comments by the gentleman from New York about my alleged knowledge.

Mr. ROONEY of New York. Well, the gentleman is an admitted military strategist.

Mr. FORD. All I am trying to say is that the foreign aid program is sound but there can be an honest difference of opinion any year.

Mr. ROONEY of New York. Of course, I well recall the distinguished gentleman from Michigan coming out here on the floor and offering an amendment or amendments to increase this foreign aid bill, which were opposed by the distinguished gentleman from Louisiana [Mr. PASSMAN]. The gentleman recalls that, does he not?

Mr. FORD. That is correct. And may I say I can vividly recall on this particular occasion that the gentleman from New York opposed it.

Mr. ROONEY of New York. That is correct.

Mr. FORD. And the very distinguished and honored speaker on the same occasion followed the lead of the gentleman from Louisiana in opposing my amendment.

Mr. ROONEY of New York. I am sure I voted along with the gentleman from Michigan in the subcommittee and the full committee.

The CHAIRMAN. The time of the gentleman from New York [Mr. ROONEY] has expired.

(Mr. ROONEY of New York asked and was given permission to proceed for 2 additional minutes.)

Mr. ROONEY of New York. Mr. Chairman, my mind is brought back to the fact that the gentleman from Michigan ran out on an agreement that was made at that time with regard to that particular part of the bill. Does the gentleman recall that? I am sure the gentleman from Louisiana will.

Mr. FORD. Mr. Chairman, will the gentleman yield at that point?

Mr. ROONEY of New York. Surely.

Mr. FORD. There never was an agreement that year between the gentleman from Louisiana and myself. The only agreement that the gentleman from Louisiana had was on the Democratic side.

Mr. ROONEY of New York. I do not think the gentleman from Louisiana would say that I ever ran out on an agreement.

Mr. PASSMAN. The gentleman is correct.

Mr. ROONEY of New York. I should like to point out that the pending amendment offered by the distinguished gentleman from Louisiana would make drastic and unwarranted reductions in six of the items of economic assistance at page 2 of this bill. I should like to describe each of these six categories which would be slashed to ribbons by the terms of the pending amendment. They are as follows:

First. Development grants: These grants are used in less developed countries to; first, provide the advisers,

teachers, equipment, and supplies required for the improvement of human resources, especially in administrative, educational, technical, and professional skills; second, assist in the control and eradication of major diseases and other menaces to health; third, establish and improve institutions which further economic and social development; fourth, assist in planning and surveys of development programs and projects; fifth, establish or improve basic physical facilities such as communications and transport, in those relatively few countries where the economies are unable to carry the obligations entailed by development loans; sixth, pay transportation charges on shipments of supplies by approved American nonprofit voluntary agencies; and seventh, finance research concerning the problems of economic development.

Second. International organizations and programs: Funds requested under this account are to cover voluntary contributions of the United States to international programs sponsored by an agency of the United Nations as well as regional organizations and special purpose international financial institutions.

Decreases in the amount anticipated to be required for these programs are the result of several factors, most importantly; first, the major channel of U.S. support of economic assistance to the Congo has been shifted from the multilateral to the bilateral program; second, several programs, including the NATO science and malaria eradication have been absorbed in the regular assessed programs of the respective organizations; and third, contributions to regional organizations and to regional programs of international organizations in the fields of economic and technical assistance are included in the estimates for development grants and Alliance for Progress grants. The above decreases are offset by a scheduled increase in our contribution to the Indus Basin Development Fund and an increase in U.S. contributions to the United Nations Expanded Program of Technical Assistance and the Special Fund due to an increase in other member nations' contributions.

Third. Supporting assistance: In furtherance of U.S. national security and foreign policy objectives support is provided through this account to countries which need help in maintaining defensive forces or in attaining economic and political stability. Provision is usually made on a grant basis and, to the extent feasible, supporting assistance funds are used for purposes which also contribute to development. In several cases country situations have recently stabilized sufficiently to permit significant reductions in supporting assistance and increased concentration on development. Fifty-five percent of present supporting assistance requirements are in Korea and Vietnam, countries on the immediate periphery of the Sino-Soviet bloc.

Fourth. Contingency fund: This fund is used to meet urgent requirements which cannot be foreseen at the time the budget is prepared. It is available not only to provide emergency assistance in disasters, but also to meet important in-

ternational situations which create a need for immediate response in the U.S. national interest.

Fifth. In 1961, the Alliance for Progress was formed to launch a hemispheric effort, in which the United States joined as partner, to stimulate and accelerate the development of the Americas through programs of social and economic reform. In support of this effort, the United States makes loans to finance the development activities necessary to achieve self-sustained growth. The nations of Latin America have subscribed to the Charter of Punta del Este and are pledged to seek reforms and institute self-help measures contributing to the development effort. U.S. assistance is supplemented by assistance from other nations, international organizations, and our own private investors, foundations, and educational institutions.

Sixth. Development loans are repayable in U.S. dollars. Under the provisions of the Foreign Assistance Act of 1963, interest charged on all loans with the exception of those covered by special provisions relative to the use of the facilities of the International Development Association and those funds already committed to be loaned, will be at a rate of interest of not less than 2 percent per annum commencing not later than 10 years following the date on which the funds are initially made available under the loan. During the 10-year period the rate of interest shall not be lower than three-fourths percent per annum.

Development loans are made to promote the economic development of less-developed countries and areas, with emphasis upon existing long-range plans and programs designed to develop their economic resources and to increase their productive capacities. Before a loan is made, the Agency for International Development must take into account; first, whether financing could be obtained in whole or in part from other free world sources on reasonable terms, including private sources within the United States; second, the economic and technical soundness of the activity to be financed, including the capacity of the recipient country to repay the loan at a reasonable rate of interest; third whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of productive capacities; fourth, the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives; fifth, the extent to which the recipient country is demonstrating its determination to take effective self-help measures; and sixth, possible effects upon the economy of the United States. Development loans will not be made unless there is a finding of a reasonable prospect of repayment. Additional loan criteria and standards are established by an inter-agency Development Loan Committee chaired by the Administrator of the Agency for International Development.

The program proposed for 1965 reflects the growing need for development assistance as a result of; first, an increase in effective development planning in many

countries; second, the increasing ability of countries previously receiving aid grants to utilize dollar repayable loans for long-term economic development purposes; and third, an enlarged capacity among expanding economies to utilize new development capital.

Mr. ALBERT. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Chairman, the most important office in the world today so far as the future of this country and the freedom of mankind is concerned is the office of the President of the United States. The occupant of that office has responsibilities which extend beyond those of any other individual or organization, public or private, so far as our international relations are concerned.

Mr. Chairman, the voice of the President of the United States is the voice of America around the world. It seems to me that the overriding issue in this debate is whether we are going to give the President of the United States the tools he needs to do his job. I know that the President of the United States believes that he needs every dollar that he requested in his budget request. I know that he cut that budget request by more than \$1 billion, over the objections of his advisors in this field.

But I also know that he feels in his dealings with the heads of state around the world that he needs the minimum that this great Committee on Appropriations has recommended for the consideration of the House.

As far as I am concerned, when it comes to upholding the hand of the President of the United States, I would prefer to err on the side of too much than on the side of too little, on the side of strength rather than on the side of weakness.

The committee has made cuts here. The subcommittee and the full committee are made up of some of the most distinguished Members of the House. The gentleman from Texas [Mr. MAHON] has been a member of the Committee on Appropriations for more than a quarter of a century. As chairman of the Subcommittee on Armed Services, he has brought up almost 50 percent moneywise of the supply bills passed on by the House for many years.

The gentleman from Virginia [Mr. GARY] and the gentleman from New York [Mr. ROONEY], have been members of this subcommittee, I believe, longer than any other member now serving. Certainly this is not downgrading any member, but reference has been made to the length of time various members have served on this subcommittee.

Certainly by any standards the gentleman from New York and the gentleman from Virginia are outstanding Members of the House.

Mr. Chairman, I cannot help but be impressed by the fact that all of the great men, and they have all been great men, who have been Presidents of the United States since the inauguration of the Marshall plan, have considered

foreign aid one of the most important instruments of foreign policy at their disposal.

President Eisenhower repeatedly urged congressional support of this program. In 1953 he said:

This is the best way to defend successfully ourselves and the cause of freedom.

In 1954 he said:

Our foreign aid is based on the sound premise that there can be no safety for us except in the cooperative efforts to build and sustain the strength of free peoples.

In May 1957, he said:

Supplementing our country's defense with tested and proven foreign aid programs gives the American people more security per dollar invested than any other expenditure they make.

In February 1960, he said:

The overwhelming support of the vast majority of our citizens leads us inexorably to foreign aid as a fixed national policy.

In a telegram to our distinguished minority leader, and the minority leader of the Senate, only a few days ago, former President Eisenhower again stressed the importance of adequate funds for this purpose.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(By unanimous consent (at the request of Mr. ALBERT) he was allowed to proceed for 5 additional minutes.)

Mr. ALBERT. In his telegram he stated that \$3.5 billion represents a level of mutual assistance that cannot be drastically reduced without damaging the vital interests of the United States.

Time and again during the Eisenhower administration a majority of the Democrats supported the President in his foreign aid request. This has been in the past a truly bipartisan program.

Support of our friends on the other side of the aisle has dropped very sharply in recent years. Only 22 Republican Members supported the authorization bill on the motion to recommit. By contrast, on key votes during the past several years there were 34 Republicans in 1962, 90 in 1961, 100 in 1958, 124 in 1956 and 127 in 1954.

The distinguished minority leader was one of the principal architects of the Marshall plan. He was one of the principal spokesmen for the Eisenhower administration, not only in the Congress but in the Nation. As long ago as June 20, 1954, the minority leader said:

I have heard enough in the last few weeks and months to convince me this situation in southeast Asia, and in the western Pacific, as it has developed, is of such vital interest to the national defense of this country and to our security and welfare, that it would be a terrible mistake to strike out this money.

It was in this same year, 1954, if I am not mistaken, that President Eisenhower inaugurated our policy in southeast Asia. That policy has been followed implicitly by both President Kennedy and President Johnson, and it is the policy of the United States in southeast Asia today.

Ambassador Lodge has just returned from southeast Asia, and every statement he has made since his arrival back

in the United States repeats in substance the warning of the distinguished minority leader on June 20, 1954, regarding southeast Asia, that it would be a terrible mistake to strike this money from the bill.

As recently as June 17, 1960, the distinguished gentleman from Indiana again said this is not a partisan matter. I hope the distinguished minority leader will support the committee. I am sure he will vote for the bill whether the committee is sustained or whether the amendment is adopted.

Today, Mr. Chairman, the world needs and the Nation requires that this program be given the bipartisan support that it has enjoyed in the past. President Johnson says emphatically and with more knowledge, I am sure, of his requirements as President in his negotiations with heads of state around the world than any other individual in the world, including any individual in this body, that he needs this program, that it is a bare bones program, and that it is essential in the interests of our country and of the free world in the years ahead.

Mr. FORD. Mr. Chairman, will the distinguished majority leader yield?

Mr. ALBERT. I yield to the distinguished gentleman from Michigan.

Mr. FORD. I wonder if the gentleman from Oklahoma would refer to his quotation of the statement by former President Eisenhower, I think he said in 1954. Was that on the appropriation bill for fiscal year 1954?

Mr. ALBERT. The statement I first quoted was made in May 1963.

Mr. FORD. Would the gentleman read it again?

Mr. ALBERT. He said:

This is the best way to defend successfully ourselves and the cause of freedom.

Mr. FORD. I think the RECORD ought to show that that year the Congress cut \$400 million from the program. Would the gentleman read the next quotation from President Eisenhower?

Mr. ALBERT. In June of 1954 he said:

Our foreign aid is based on the sound premise that there can be no safety for us except in the cooperative efforts to build and sustain the strength of all free peoples.

Mr. FORD. That was 1954?

Mr. ALBERT. Yes.

Mr. FORD. That year the Congress cut from the appropriation bill \$600 million.

Mr. ALBERT. May I say in response to the gentleman that the request was much smaller than in the years 1953 and 1954 than it was this year, if I am not mistaken. May I also say to the gentleman that the committee has already cut \$200 million from the budget estimate and has put \$300 million in deep freeze. The request has already been cut. I hope the House will sustain the committee.

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. ROONEY of New York. Is it not a fact, as was pointed out yesterday, that President Johnson had already pared the program by \$1 billion before it came up to the Appropriations Committee?

Mr. ALBERT. The gentleman is correct. I pointed this out earlier in my remarks. The President cut the request by \$1 billion and the committee has cut it \$200 million more. The House should vote down any further cuts in this program.

Mr. FOREMAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Louisiana [Mr. PASSMAN] and in opposition to this foreign aid appropriation bill. Never before in the history of mankind has there been demonstrated such shortsighted generosity as our expensive, badly executed, unrealistic, uncontrolled, and uncontrollable foreign aid giveaway program.

Mr. Chairman, I take this time to express my support of the amendment to cut the funds in this bill by \$247 million and to ask some simple, but very important questions regarding this bill. I should like to ask the questions of the gentleman from Louisiana [Mr. PASSMAN], the distinguished chairman of the subcommittee, or the ranking minority member, the distinguished gentleman from Arizona [Mr. RHODES]. Will they answer these questions for me:

Is it true that other countries receiving our foreign aid have now initiated foreign aid programs of their own?

Mr. RHODES of Arizona. That statement is absolutely correct, in that some nations which were Communist nations or neutralist nations were giving aid around the world while they were still receiving our aid.

Mr. FOREMAN. Is it a true fact that we let these countries have money interest free and that they then charge and receive interest on their loans that they put out on their own foreign aid loans?

Mr. RHODES of Arizona. I think that certainly would be correct in certain instances. It certainly is correct that the nations of Western Europe, for instance, have almost always given their aid in the form of hard loans—loans with fairly high commercial-type interest rates. Whereas they get loans from us at very low rates.

Mr. FOREMAN. Is it a true fact that in this foreign aid program being considered here today, we are now approving or considering aid for 99 countries and 9 territories around the world?

Mr. RHODES of Arizona. That was true of the program for the last fiscal year. I believe it is approximately true for this program.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FOREMAN. I am pleased to yield to the distinguished chairman of the Appropriations Subcommittee, the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. During the fiscal year 1965 the United States will be disbursing aid to some extent in 99 nations and 9 territories.

Mr. FOREMAN. Does the gentleman feel that it is consistent with sound fiscal policy for the United States of America to borrow money to give away in these loan programs, thereby allowing other countries to have a foreign aid program of their own?

Mr. RHODES of Arizona. I think certainly if a country is prosperous enough to have a foreign aid program of its own, we should be very careful about letting them be recipients from our program, particularly, as the gentleman has said, during a time when we are in a deficit position and obviously must borrow money to lend them money.

Mr. FOREMAN. Is it a true fact that we are now paying approximately \$3 billion a year in interest on the money that we have borrowed to give away?

Mr. RHODES of Arizona. The total of foreign aid is somewhat in excess of \$100 billion since its inception. If we assumed that all of the \$100 billion was borrowed, then the figure would be accurate. However, as I stated before, I feel that we should prorate the expenditures for foreign aid with other expenditures of the Government to determine that. Even so, you would get a very considerable figure even if you did.

Mr. FOREMAN. Is it a true fact that in spite of the fact that Sukarno in Indonesia told us just 3 months ago, on March 25, 1964, to be exact "To hell with U.S. aid," that we have included some \$10 million in technical aid in this bill for Mr. Sukarno's Indonesia?

Mr. RHODES of Arizona. The specific answer to that question would probably be classified. But the answer is that we do still have a program in Indonesia.

Mr. FOREMAN. Is it a true fact that in spite of the fact that Cambodia has requested that we withdraw our aid program from that country and told us to take our marbles and go home, we are continuing to dish out foreign aid to them, and have projected aid through 1968 to Cambodia?

Mr. RHODES of Arizona. Yes, that is true. Cambodia recently requested that we withdraw our aid program. But the Department has obligated funds to continue the training of Cambodian participants through fiscal year 1968 at a total cost of \$1,650,000. Now, we do not know whether the Cambodians will want to spend that money or not. But we have obligated it just in case they are very nice and allow us to give it to them.

Mr. FOREMAN. Is it a true fact that the U.S. foreign aid is now financing 10 foreign embassies for the country of Laos?

Mr. RHODES of Arizona. That is correct.

Mr. FOREMAN. Is it a true fact that under our foreign aid operation, appropriations for a dam in Tunisia could later be reobligated, without the consent of the Congress, and be spent to build a bridge in Iran or a swimming pool in Kuwait or almost anything else somewhere on another project in another country?

Mr. RHODES of Arizona. That is absolutely correct.

Mr. FOREMAN. Is it a true fact that 57 countries receiving over \$12.5 billion of our aid over the past 6 years have purchased approximately \$7 billion of our gold from the United States?

Mr. RHODES of Arizona. Those are the figures which I have. Yes; that is correct.

Mr. FOREMAN. Is it a true fact that if we defeated this bill entirely, there would still be more than enough funds in the foreign aid pipeline, appropriated but not expended, and in many instances not even obligated, to continue our obligations, commitments, and our foreign operations for some considerable time into the future?

Mr. RHODES of Arizona. There is plenty of money in the pipeline to run this program for a period of 2 years without any more money being added, and, as the gentleman from Louisiana stated, to take care of any legal obligations we might have.

Mr. FOREMAN. Is it a true fact that there are 7,000 additional employees on the AID payroll this year, over the 1964 operations?

Mr. RHODES of Arizona. That is correct. The round figures are 64,000 for last year and 71,000 for this year.

Mr. FOREMAN. Is it a true fact that the gentleman and his committee have saved some \$8 billion over the past several years by reductions from the requests of AID, through such amendments as are offered here today on the floor?

Mr. RHODES of Arizona. Through amendments and also through cuts made in the committee and later sustained by the House.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FOREMAN. I yield to the distinguished gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. It was not the committee, but the Congress. In setting out the fact sheets, we show the budget estimates. It is always that way, to keep the record straight. That is why I have not gotten into any trouble with this bill for 10 years.

We show the budget estimates. We show the appropriations. We show the reductions; that is, the reductions made by all the committees of the Congress. It deals with all net reductions.

The committee does not take credit for anything. We show that the Congress made these reductions, and include all the reductions made at all points.

Mr. FOREMAN. I thank the distinguished chairman of the subcommittee, and I should like to ask him one more question. Does the gentleman believe that it is sound business economics for this country to continue to tax its people and borrow money to give away to countries—in fact, Communist countries—who initiate foreign aid programs of their own?

Mr. PASSMAN. Is the gentleman suggesting that we proceed on a business basis here, in running the people's business?

Mr. FOREMAN. That is exactly what I am suggesting, but I suppose I would be out of order to do so.

Mr. PASSMAN. Certainly I agree with the gentleman that this practice is bad.

Mr. FOREMAN. Does the gentleman believe it would be out of order, in view of the fact that we have all the money in the foreign aid pipeline that we have there today, to offer an amendment to

this bill which would cut out all foreign aid grants and economic aid, except our military assistance programs, until we have balanced our national budget?

Mr. PASSMAN. I have said many times in the past, and I say again today, that it has never been my objective to kill this program. It has been my objective to try to contain the program. This thing was running wild. We have been trying only to bring sense into this program.

Mr. FOREMAN. At the appropriate time I will, in fact, offer my balanced budget amendment. It is a sound simple amendment that states that we will not continue to borrow money to give away, irresponsibly as we have in years past, until we have balanced our national budget.

This amendment leaves in the military assistance portion of the bill. It would withhold funds only for the grants and economic aid portions of this program. As has been clearly pointed out, this would not stop the foreign aid program, because of the approximately \$7 billion that is already available in the foreign aid pipeline.

Gentlemen, I simply and clearly say, we should not continue to borrow money to give away. We need to balance our own domestic budget, get our own house in order and pay our own debts.

To those who ask me, "Don't you care about the poor or the hungry people of Africa or India," I reply, of course, I am concerned about them, but I am more concerned about the poor overburdened taxpayers of America who are stuck with the bill for irresponsible waste involved in these aid programs. At a time when we have millions of hungry and uneducated Americans in our own country, according to the administration, how about feeding them and educating them, first? Why do we not look after our own family before we start trying to raise the living standards of the world?

#### PROPOSED SOLUTION

We must initiate drastic reductions in foreign aid in all instances, except where technological and military assistance is necessary to the defense of the free world and is economically advantageous to the United States. We must initiate some tough-fisted management over it. We must use commonsense in our administration of it and curb its waste and mismanagement.

We can do this by restricting grants to the careful distribution of surplus farm products to friendly underdeveloped countries to feed the hungry, by providing needed medicines to the sick and by providing technological assistance and instruction to those who show a willingness and desire to help themselves. Our money and equipment sent to countries needing help should be only to non-Communist countries, and this should not be grants, rather it should be in the form of sound, hard, reasonable interest-bearing loans, backed up with collateral, and to be repaid according to a specified sensible, businesslike schedule.

Mr. Chairman, it is an unforgivable disgrace, indeed, for a country with a national debt greater than all the countries of the world combined, to continue to

tax our people, and in fact borrow money, to give away our goods to try to buy friends among people who readily turn against us when the till goes empty and the chips are down. Any supporter of this wasteful throwaway program, who has one hungry child or one depressed business in his district, should hang his head in shame if he continues to vote funds that are to be so irresponsibly spent. How absurd, how foolish, how ignorant can we get when we throw our money away to our enemies?

Mr. JOELSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. ROONEY of New York. Mr. Chairman, will the distinguished gentleman yield briefly?

Mr. JOELSON. Yes. I will yield briefly to the gentleman from New York.

Mr. ROONEY of New York. I wish to say to my distinguished friend from Texas [Mr. FOREMAN] that his "Are you still beating your wife" questions addressed to the gentleman from Arizona remind me of one of his loaded questionnaires.

Mr. FOREMAN. Are you asking or are you telling me? If the gentleman will yield to me—

Mr. JOELSON. I yield no further.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I will yield briefly.

Mr. GALLAGHER. I would like to point out one more fact, since the gentleman from Texas is interested in facts. If the amendment is agreed to and adopted, we would be shifting the emphasis back from hard loans to grants. All of the loans that the gentleman has been referring to are loans that create credit, and the money is spent on products right here in the United States. If this amendment is adopted, we go back to the grant business. The guidelines of the Congress has been to get into the hard loan rather than grants, which is what we have been doing under this bill.

Mr. FOREMAN. Mr. Chairman, will the gentleman from New Jersey yield?

Mr. JOELSON. I am sorry, but I have not yet opened my mouth on my own. I cannot yield any further.

Mr. PASSMAN. Mr. Chairman, the gentleman asked me a question.

Mr. JOELSON. Do I want to ask you a question?

Mr. PASSMAN. I wish you would. I thought someone told me you did want to ask me a question.

Mr. JOELSON. No, I do not want to ask you a question.

Mr. PASSMAN. I am sorry I wasted your time.

Mr. JOELSON. Except to say I do not feel I am a political prostitute or any other kind of prostitute, since you used that expression regarding other Members of the House the other day.

Mr. PASSMAN. You do not? I do not go around admitting those things. I just ignore them.

Mr. JOELSON. I do not yield any further.

I merely want to say that pretty soon the Fourth of July is coming and we are all going to go back to our constituencies and we are going to vie with one another about our implacable opposition to

tyranny and communism. Then the political conventions will come about and we will all make stirring speeches about how strongly we are opposed to the Communist menace.

However, I would like to remind my friends that communism cannot be fought with oratory and we are childish if we think it is going to melt in the blast of our own hot air. The way to fight communism is the hard way, the difficult way, the mature way, the responsible way, and that takes money. I know there is a candidate now for the Presidency who wants to abolish the income tax and in the same breath says he wants to fight communism, just as my friend over here wants to fight communism and at the same time balance the budget. I would love this to be done, but I am a practical man. I do not live in the never-never world of fantasy. I am willing to accept my responsibility. The simple fact is we cannot fight the Communists without money, without cash, without loans, and the American people, in my opinion, want this.

I have always been a supporter of foreign aid. In my reelection campaign, I told the people that they have to be mature and responsible. Thank goodness I am back here and I am willing to wage the fight again. I urge my colleagues to be responsible and not to cut this necessary program, because if you do so, you are playing right into the hands of the potential enemy.

Mr. Chairman, I yield back the balance of my time.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, if the gentleman from the committee, the gentleman from Kentucky [Mr. NATCHER], would yield, I asked him to yield when he was speaking some time ago, and I would like to ask him a question to see if I understood him.

A while ago when you were discussing the cuts that had been made by the committee, you stated you were willing to vote for further cuts. May I ask where and in what amounts you would be willing to vote for them?

Mr. NATCHER. I would like to say to the distinguished gentleman from Missouri that when bills are presented in the future for the foreign assistance program, additional reductions can be and should be made.

Mr. JONES of Missouri. You were not referring to this bill?

Mr. NATCHER. I was referring to future bills.

Mr. JONES of Missouri. But I understood you to say you would vote for other cuts. I am sorry I misunderstood the gentleman.

I think here today we have been trying to put this thing on the basis of a popularity contest vote. I do not think this is a popularity contest, or a partisan issue, and I would like to get back to the facts in this bill.

I supported for about 13 years the foreign aid program, trying desperately and as hard as I knew how to bring some reality, some common sense into the ad-

ministration of it. I have gotten up here on this floor and tried as hard as I knew how to get some amendments adopted that would cause the administrators of this program to have some conscience about spending the taxpayers' money.

Last year for the first time I voted against the foreign aid authorization and I voted against the appropriation bill; not because I do not think it is necessary to have a foreign aid program. We must have a foreign aid program. But I do say that we must bring about greater economy, we must bring about greater efficiency than we have had in the past. I want to point out that over the years I have followed very closely what I think has been an outstanding job done by the gentleman from Louisiana [Mr. PASSMAN]. I think he knows more about the foreign aid program than any other man in the United States. I really believe that. I think that he has brought to us the facts of this program, and pointed out where cuts could be made without jeopardizing the program.

I have every respect for the President of the United States but I do know from experience that the President of the United States has had the wool pulled over his eyes. He has had people in the State Department who have not been loyal to him. He has had people who were tending to destroy the program by their refusal to put common sense into it. There is no man in the House for whom I have greater respect or affection than the Chairman of the Committee on Appropriations, the gentleman from Texas [Mr. MAHON]. With all respect to him I must say, because of the work that he has been doing on the defense program, that he has not had the opportunity to get as close to this program as has the gentleman from Louisiana; and I do not think that he knows as much about it as the gentleman from Louisiana. I say that with all respect for my friend from Texas.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. Certainly I yield to the gentleman from Texas, the distinguished chairman of the Appropriations Committee.

Mr. MAHON. Mr. Chairman, the Speaker appointed me on the so-called Herter Committee, as the gentleman from Missouri will remember, in 1947, I believe. We went to Europe and made a study of the foreign aid program. I have worked on this bill from time to time. But what counts most here, as I see it, is how, in this program, we can implement our defense and foreign policy; and I yield to no one in that area and I do not think the gentleman from Missouri [Mr. JONES] should yield to anyone. Knowledge of the details of some construction project in Pakistan is one thing, but how can the President best use this implement of foreign aid in our national defense and in our foreign policy is another. It is a decision which cannot be made peculiarly by the gentleman from Louisiana [Mr. PASSMAN] or by the gentleman from Texas [Mr. MAHON] or by anybody else. All of us are somewhat on the same basis in that area. And that is the area which counts the most.

Mr. JONES of Missouri. Mr. Chairman, I want to make one other point. If this bill were predicated upon the defense of this Nation particularly the military assistance program, there is no one whose word I would accept sooner than that of the gentleman from Texas [Mr. MAHON]. I would go along with him blindfolded, so to speak, because of the confidence that I have in him. But when we talk about some of these other programs, I do not think other Members are as familiar with them as is the gentleman from Louisiana.

The CHAIRMAN. The time of the gentleman from Missouri, Mr. JONES, has expired.

(Mr. JONES of Missouri asked and was given permission to proceed for 2 additional minutes.)

Mr. JONES of Missouri. Mr. Chairman, I think everyone in this House realizes that in the Department of State we have had people—and I have made this point time and time again and I hope you will bear with me for being repetitious; we have had these people before our Committee on Agriculture, and one of the people who had been elevated time and time again in the Department came to our committee and said that he violated the law, he did not follow the law or the intention of Congress because he said Congress did not know what it was doing.

Mr. Chairman, I know what I am doing. I am trying to save the taxpayers some money. I am going to vote for these amendments today. I do not know whether all of the items in the amendment are going to do it, but this is the only way we can impress these people in the Department of State and the administrators of the program.

The money, their pocketbook, is the only place you can affect them. You cannot talk to them. You can talk until you are blue in the face and they will come back arrogantly and tell you that Congress does not know what it is doing.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the distinguished gentleman from Texas.

Mr. MAHON. I believe President Johnson impressed the people in the State Department when he submitted a budget far below that submitted last year and whacked money from the request that had tentatively been proposed for submission to the Congress this year.

Mr. JONES of Missouri. Let me make this point clear. The President has great power, and I appreciate it. I like to go along with the President every time I can. I think I know a little bit about the psychology of these people in the State Department. The only way they will be impressed with the fact that Congress means business is when you cut this bill some more. I say that with the money that is in the pipeline, as a backup if it is necessary, we are not going to do any damage to this program. We are not going to curtail or prevent any necessary program being carried out. But we are going to give notice to the people administering this program that Congress means to do the only thing we can do, and that is to cut this bill. This

is the only way we can make ourselves heard, to vote for this amendment.

Mr. Chairman, this is the time. The members of the committee are going to have to act now.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike the requisite number of words.

(Mr. O'HARA of Illinois asked and was given permission to revise and extend his remarks.)

Mr. O'HARA of Illinois. Mr. Chairman, I have not much contribution to make to this debate. It is unnecessary. The management of the bill could not be in abler hands. However, I am a little curious. Before the gentleman from Missouri [Mr. JONES], spoke I had been listening to one of the newer Members. He talked for a long time. He asked unanimous consent to speak for 3 additional minutes and I agreed to that. He kept repeating the words, "a true fact." I think he must have used the term a dozen times, "a true fact."

Now, Mr. Chairman, I am just a simple little country boy. I thought that a fact was a fact. I wonder what "a true fact" is.

So, Mr. Chairman, I am just curious. That is why I asked for this time. I thought I should not overlook the chance to get educated on the meaning and mystery of "a true fact."

There is one other matter, Mr. Chairman. I shall vote against this amendment. I am standing with the President of the United States. But I do not like attacks which are made upon the gentleman from Louisiana. I am not in agreement with him in this matter but I do know that he is one of the hardest working Members of this body. We may not agree, and certainly we do not in the present debate, but when he reaches a conclusion I know that he does so conscientiously. I have lived with him at the Congressional Hotel for a long time. I know that every Sunday he goes to his office at 8 o'clock in the morning and does not get back until 8 o'clock in the evening. That is true on Saturday and every night of the week he works at his office until midnight or later.

Mr. Chairman, whether I agree with him or not—and I repeat, I do not agree with him in this—I respect industry and integrity. The gentleman from Louisiana is rich in the possession of both those virtues. I believe everyone including those who will vote against his amendment has a lot of respect for the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I want to thank the distinguished gentleman from Illinois for his compliment.

I have heard it said that if you cannot swim, stay out of the water. I am going to stay out of personalities.

I thank the distinguished gentleman for yielding.

Mr. O'HARA of Illinois. I do esteem the gentleman from Louisiana as a fine, able, dedicated and patriotic American. However, I do not agree with him at all in his concept of foreign policy and the

part therein of our mutual assistance program.

Mr. Chairman, I am even thankful that the very atmosphere of this historic chamber teaches us how friends can disagree agreeably.

Mr. FORD. Mr. Chairman, I move to strike the requisite number of words.

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, there is no controversy among many of us as to the need and the necessity for an adequately financed, properly executed foreign aid program. That includes sufficient funds for the military assistance and the economic assistance programs.

The record is very clear that since 1949 on every occasion I have voted for the foreign aid authorization bill, and on every occasion I have voted from that time to the present time for the appropriation bill to finance the authorization bill. The record will also show that on more occasions than not I have disagreed with the gentleman from Louisiana. These were honest, conscientious differences of opinion.

In 1960 I joined with Mr. Taber, Mr. RHODES, and Mr. CONTE in signing a minority report because the recommendations of the subcommittee and the full Committee on Appropriations were too small.

In 1961 I offered an amendment to the appropriation bill for the foreign aid program that would and eventually did restore \$300 million to the recommendations of the subcommittee and the full committee. This amendment was over the protest of my good friend from Louisiana. He thought he was right. The gentleman from Texas [Mr. MAHON] supported him, and I know he felt he was right.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Texas.

Mr. MAHON. Back for fiscal year 1961 Congress appropriated \$4.4 billion instead of the \$3.567 billion provided in the pending bill and the total availability back in 1961 as a result of the action by Congress was \$4.8. The request this year is for \$1.2 billion less.

Under those circumstances the gentleman from Michigan will remember that in the minority report for 1961 he, Mr. Taber, Mr. RHODES, and others, said, in denouncing the reduction made in such bill, the following:

We cannot condone and cannot remain silent in the face of the heavy and, we believe, unconscionable cuts imposed by the majority in military assistance and defense support. These cuts are not justified by the testimony heard by our subcommittee, particularly in view of the most urgent requests and warnings by the President of the United States, the Secretary of State, and the Secretary of Defense.

They will force serious reductions in economic help to struggling nations at the very moment when the Communist bloc is accelerating its efforts at economic penetration and control of these hundreds of millions of people who constitute the balance of power

in the world. They will undermine the security of the United States at one of the most critical times in the history of our country.

This is no time to kowtow to Khrushchev or be soft on communism.

That is what my friend said when the bill was 1.2 higher in 1961. It seems that the request this year is down to earth, and is somewhat of a bare-bones approach.

Mr. FORD. The point I was seeking to make is that this program from its inception has been supported by four Presidents, to my knowledge, one Republican President and three Democratic Presidents. The program has been supported by the majority and minority leadership. However, there have been occasions where the leadership on one side or the other supported a lesser figure. Each of us in our own judgment each year has the responsibility to analyze the presentation, to make up our own independent mind and act accordingly. We are not here this year, nor have we been here in the past, to rubber-stamp any recommendation from any President. With all deference to the great men who have served as President, and the President today, these Presidents do not know the details of any budget program submitted for foreign aid.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. FORD was allowed to proceed for 5 additional minutes.)

Mr. FORD. I might add parenthetically, on too many occasions the witnesses who seek to justify the programs are not too well informed, either. The best evidence of this fact is to read the RECORD.

Let us talk for a minute about some of the programs here that I think can be honestly and justifiably reduced. Let us refer to the development loan program. President Johnson asked for \$922 million, almost a billion dollars, for development loans. This was \$235 million more than Congress gave him for the current fiscal year.

Let us see how this program is being administered. I have in my hand a document entitled "Department of State, Agency for International Development, Washington 25, D.C. Drafted March 13, 1964, initialed March 16, 1964." The subject is "Status of Dollar Loans Authorized to Intermediate Credit Institutions as of December 31, 1963."

Under the heading of "Development Bank Loans," subtotal, Latin America, a total loan amount of \$38,500,000. The last column in this agency document shows, percent of loan amount distributed, 2.3 percent distributed. They had 97 percent plus of the funds available unloaned, undistributed, as of December 31, 1963.

Is that good management? Can you not honestly argue under that set of facts that there was no need to add more to the pipeline. If you add more instead of \$37 million being unused they might have \$60 or \$70 million unused in this program. Can you imagine 2 percent of the loan money available being undistributed?

Now let us turn to another item, the same document. Here is the subtotal, Latin America, under the total loan amount available for a number of countries, \$135,100,000 available. Percent of loan amount disbursed, 24.6 percent. Seventy-five percent of the funds available that Congress has given them in the past have not yet been distributed.

You could go down through this document line item by line item—their document, not our document—and you could find instance after instance where they have not carried out the program they initially justified, maybe in some instances for good reason, but in the light of these circumstances, 2 percent of the money made available disbursed, 24 percent of the money made available disbursed, can we not in our own wisdom and judgment make a decision that we do not have to pile more dollars on more dollars and more dollars? I refuse to hand over extra unneeded, unwarranted money into their hands under these circumstances.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Minnesota.

Mr. FRASER. May I call the attention of the gentleman to the fact that in 1961 with an increased amount of military funds the pipeline on military funds was \$2.5 billion. Today the pipeline is only \$2 billion. I am surprised that the gentleman would have supported an increase in military funds at a time when the pipeline was even larger than it is today just as I am surprised that the gentleman makes no comment about the \$30 billion pipeline in the defense budget?

Mr. FORD. In the military program there is a longer period for the letting of the order and the delivery, as the gentleman I presume knows. This accounts for the pipeline. I see nothing wrong with a pipeline of \$1,800 million or \$2 billion under current circumstances and I did not believe in 1961 that there was anything sinister about the pipeline at that time. The facts are that in the economic aid program the circumstances are different. Let us take the loan program where only 2 percent of the money has been disbursed and 98 percent of the money is still piled up.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(Mr. FORD asked and was given permission to proceed for 5 additional minutes.)

Mr. FORD. In the case of bank loans or loan programs, here you have 98 percent of the money just standing idle. In the military assistance program where you have the pipeline an order has been placed and an actual contract has been made and all you are waiting for is delivery so that you can pay for it. In the case of a loan program to a loaning institution the circumstances are quite different.

Mr. FRASER. I think the gentleman is aware of the fact that the problem with a foreign aid loan program is very essentially the same problem described with respect to military procurement.

That is, if we provide a loan to another country for a project, that money is obligated but we do not want to disburse it until they have proceeded along the path of building the project in compliance with our conditions.

But I would just like to make this other point. That is, that we have moved away from a grant program into a loan program at the insistence of the Congress and this has been one of the reasons why the pipeline has built up. Because as we move into other programs, we find there are more and more pipelines built up just as there is in the military procurement program.

Mr. FORD. My response to the gentleman from Minnesota is, when he talks about loan programs as we operate them here and tries to compare those programs with grant programs, I think he would have to concede honestly that there is a distinction without a difference. The gentleman knows under the so-called loan programs what are called loan programs, they are 40-year loans with a 10-year grace period, with less than 1 percent interest, and in most of the cases the repayment is in local currency and not in dollars. So, in effect, there is virtually no difference between a loan and a grant.

Mr. FRASER. Would the gentleman prefer that the money be granted or provided on a soft term loan basis?

Mr. FORD. I think there is probably some psychological benefit. But from the standpoint or the point of view of the U.S. Treasury, there is no difference.

Mr. FRASER. If I may just say to the gentleman, it seems to me if we want to move away from a grant program, the next step is to give a soft loan and then try to increase and harden the terms as we move along. We are making progress in this direction.

Mr. FORD. And you have a long way to go because I have not seen very significant progress along that line.

Mr. FRASER. In 1959 the total in grants was \$1,291 million. In 1963 it was down to \$953 million. That is only over a span of 4 years. I think this is a commendable trend and I would think the gentleman would want to encourage it.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. GARY. The gentleman says he does not see anything wrong with the unexpended funds in the pipeline for the military. Is it not true that \$2,050,751,000 of the present pipeline is in the military part of this program?

Mr. FORD. I think that is correct.

Mr. GARY. And is it not also true that \$519,699,000 is in title 2 which is only indirectly connected with foreign aid and that \$205.9 million is money for the Inter-American Development Bank which is held in the Treasury as a reserve fund and may not be used at all?

Mr. FORD. May I say to my good friend, the gentleman from Virginia, first, there is not a penny reduced in the military assistance program. The President asked for \$1,055 million. The subcommittee and the full committee made available every nickel requested in new obligational authority for the military assistance program.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I believe the gentleman made the statement that there was no basic difference between grants and loans under this program, so far as the taxpayers are concerned; but under a grant we get no return, and when we consider the loans, 60 percent of the loans made under this program are hard-dollar loans which will be repaid, whether it takes 40 years or not. Many of these loans are beginning to be paid right now.

Further, the gentleman made the assertion that much of this money is presently held back and is not being used. I believe this results from some of the conditions which the gentleman himself set out, which the Congress has attempted to follow, by requiring conditions on loans of fiscal reforms, tax collection reforms, and some other necessary and basic reforms within the countries themselves.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(By unanimous consent, Mr. FORD was given permission to proceed for an additional 5 minutes.)

Mr. GALLAGHER. The reason why we have been withholding the use of the money under commitments we have made is that some of the nations have not met the conditions. The conditions have been set out by this body. We have required fiscal reforms. The money is not used until such time as the countries meet the conditions of the loans. This is the reason why the money remains unused, even though we do have basic commitments to many of these countries.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I recall when Secretary Dillon came before our committee, when we were considering these so-called loans, I asked the distinguished Secretary, "Would you call these things loans?" He said, "No. They are development credits." I feel sure the gentleman remembers that colloquy. It has been mentioned in the Record many times.

In addition, is it not true that, up to now, if there should ever be any repayment on these credits that the money would go back into the aid program and not back into the U.S. Treasury?

Mr. FORD. It is anticipated that will be the case, but I believe our committee took action this year to force it back into the General Treasury.

Mr. PASSMAN. That is true. It would have to be reappropriated. The basic legislation says it will go back into the aid program.

Mr. FORD. That is correct.

Mr. PASSMAN. I thank the gentleman.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield for one brief moment further?

Mr. FORD. Can the gentleman assure me that I shall have no trouble in getting some time to finish my own remarks?

Mr. GALLAGHER. If the gentleman does not, I shall be glad to obtain some time.

Mr. FORD. I am glad to yield to the gentleman from New Jersey.

Mr. GALLAGHER. I believe the significant point is that the money does go back into a revolving fund, but cannot be used until the committee here reappropriates the money.

Mr. FORD. Mr. Chairman, not too much has been said about the proposed part of the amendment affecting international agencies. I should like to take a few minutes to discuss this part of the amendment, which proposes a \$10-million cut in the funds for the international agencies.

The President's budget request for fiscal year 1965, based on the authorization for international organizations, was \$134,272,400. The cut we are recommending would reduce this by \$10 million. Despite the fact that our cut would call for a \$10 million reduction, the dollar amount made available for fiscal year 1965 would be approximately \$8 million more than Congress gave to these agencies in 1964.

In fiscal year 1964 the late President Kennedy requested that Congress make available for international organizations \$130,900,000. The House version of the bill reduced this by \$30.9 million, to a figure of \$100 million.

The Senate upped the figure and in the final version \$116 million was made available for the program. You might have the impression that this program, because of this reduction in this current fiscal year, would be suffering very badly and would be handicapped because of this \$14 million cut in the program last year. There is testimony in the hearings by Mr. Harlan Cleveland, who is our Assistant Secretary of State for International Organization Affairs, that the program they are executing this year in this area is a very satisfactory one despite a \$14 million cut.

As a matter of fact, if you look at the record, you can understand very clearly why he has to say that. Last year when they came up and asked for \$130 million for international organizations Mr. Cleveland said to the committee that we anticipate that we will obligate on the Indus River Basin program \$43 million. This was \$43 million out of the \$130 million. You know what they are actually going to obligate this year? Not \$43 million but \$12 million. In other words, there was \$30 million in the international organizations account for fiscal year 1964, approximately 25 percent of the total that they requested, that they did not obligate the way they planned, or they programed, or they justified to the Congress.

Now let me add one comment about the Indus River Basin program.

The CHAIRMAN. The time of the gentleman has again expired.

(Mr. FORD asked and was given permission to proceed for an additional 5 minutes.)

Mr. FORD. Mr. Chairman, back in 1960 when the Indus River Basin program was organized and commitments were made, the anticipated cost of that program or that project was about \$1

billion, of which the United States was to pay about \$550 million or slightly over 50 percent. We found out in the hearings this year, based on their own justification, that the cost of the Indus River Basin program is no longer estimated to be \$1 billion but it has now ballooned and it has expanded in cost to \$2 billion. This is a 100-percent increase in the estimated cost. Now, they will not tell us whether or not we are going to pay the same percentage that was anticipated when the cost was \$1 billion, but they honestly concede, because it was in their justification books, that the cost has gone up 100 percent. I am only pointing this out because I am more than fearful that next year we are going to be faced with a substantial increase in our commitment to this program or this project.

Now I would like to point out another thing. I have indicated, one, that the Indus River Basin program last year was estimated to be \$43 million and they could only obligate \$12 million. You might honestly ask, "Well, what did they do with the rest of the money?" Well, here is one illustration. This is in the overall program on international organizations.

Last year they contemplated they would obligate \$51 million in what they called an expanded program of technical assistance and special fund under the United Nations; but because they had this extra money floating around they decided to increase this program from \$51 million to \$59 million. There was no notification to the Congress, no justification to the Congress for the increase of \$8 million in this program. But they had the money. They had not used it on one part of the program so they decided that they were going to use it in another, and they did.

All I am trying to say is that there is all kinds of flexibility in this program, in this account, as well as in others.

Mr. Chairman, may I conclude by a few final comments. We have before us a budget request by the President for \$3,958 million. This is not a \$3.5 billion request as some would lead you to believe. This is a request for almost \$4 billion in title I and title II. The amount that the President asked for is more than was made available by the Congress last year, actually \$694 million more than Congress appropriated in fiscal year 1964. The amounts that are included in the bill if our amendment is approved, when you look at the RECORD, are fully satisfactory to carry out our military assistance program, our economic assistance program. They are fully adequate. If this amendment is approved our foreign policy and our military programs can be honestly and effectively executed and implemented for the benefit of the United States. I say this with the deepest sincerity because I have constantly supported the program in the past. These reductions will in no way injure or be harmful to the best interests of this country.

I hope and trust that the amendments offered by the gentleman from Louisiana will be approved by the Committee.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield for a question?

Mr. FORD. I yield.

Mr. OLSON of Minnesota. Is it the gentleman's suggestion that we can rely on pipeline funds for flexibility? Are pipeline funds available for the program if it is cut too severely? Is that what the gentleman is saying?

Mr. FORD. No; if the gentleman had been listening I am sure he would have understood that I was not arguing that pipeline funds are a justification for a reduction. The justification for these reductions in the amendment is the fact that last year what they told us they were going to carry out in their programs was not carried out. You can only judge the future by what they have done in the past. And in more areas than not AID's record in the past does not justify the money that they want for the future.

Mr. BOGGS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment and in support of the Committee on Appropriations. I think the debate here in the last 2 days has been a tremendously helpful debate. It is one which has been to the issue and it has been very well attended by the Members of the House. It is very obvious that we shall vote on this proposal in the next few minutes, and I would hope that we would recognize the fundamental issues involved before we do so.

No. 1, I think most people—I know it is true of my distinguished colleague from Louisiana—have supported this program.

Mr. Chairman, we have had arguments about the amount of money which should be appropriated. However, the program has had bipartisan support since its inception a good many years ago.

Mr. Chairman, as has been so well pointed out here during the last few days, this program has been supported by President Truman, President Eisenhower, President Kennedy, and President Johnson. The program has had, I might say, a rather long career. We started, first, with what was called piecemeal economic aid. Then we moved into the Marshall plan. Then we saw the need for military assistance, particularly when the Korean war came along.

Mr. Chairman, many of our fellow Americans said to us, "Why do we not arm the Koreans? Why do we not perfect a system whereby we can utilize the tremendous manpower which exists elsewhere in the world and thereby conserve our own young men?"

So, Mr. Chairman, we came up with a military assistance program. I believe it can be demonstrated and has been demonstrated that the military assistance program has helped this country immeasurably. Without the military assistance program, I suspect that the entire history of southeast Asia would be quite different from what it is; and, while there may be criticism, some of it objective and some of it not, about policies there, no one has criticized the fact that the people who live there should bear the brunt of the fighting. That is

the entire essence of the military assistance program.

Mr. Chairman, I heard the discussion a minute ago about loan programs. I believe it is elementary that a program which relies basically on the notion that you will repay is a more fundamentally sound program than one based upon grants. While some of these loans may not be repaid, at least we are moving away from grants and toward loans.

Finally, Mr. Chairman, I believe it could be well argued that this program has been a good investment. I know that there are many people who argue that this program has not been a good investment, but as I examine the economic strength of our own country and as I look at what has happened elsewhere in the world, I cannot help but believe that this program has made a fundamental contribution to the economic advancement of the United States of America.

Now people say that we are going bankrupt in a hurry. Yet, since the inception of this program our gross national product has increased from about \$300 billion to over \$600 billion.

In the areas where we have conducted these programs the amount of trade between this country and those countries we have aided has increased phenomenally. As a matter of fact, we enjoy today the heaviest balance of trade in our own favor in the history of the United States. If we did not have that favorable trade situation, our balance-of-payments problem would be acute indeed.

Now, Mr. Chairman, I do not have to be any economic expert to demonstrate this.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(Mr. BOGGS (at the request of Mr. McCORMACK) was given permission to proceed for 5 additional minutes.)

Mr. BOGGS. It is fundamental that unless the economic capacity exists in a given area, that country cannot trade with the United States of America. I could cite to the members of the Committee so many examples of this.

Mr. Chairman, I have worked for years on these problems. I serve as chairman of the Foreign Trade Subcommittee of the Joint Economic Committee studying this very issue. However, I can leave my hometown and get in an airplane and fly for 1 hour—not 2 hours or 3 hours—but just 1 hour, and I have traveled from an area where the per capita income is about \$2,000 per year to an area where the per capita income is less than \$200 a year.

Mr. Chairman, I can prove to each member of the Committee that as that per capita income goes up in the underdeveloped areas, the demand for American-manufactured goods, for American agricultural products, for American textiles, for the products of our machines, our citizens, and our workers, increases proportionately. That is exactly what has happened all over the world.

I say to you, Mr. Chairman, that this program is not only a good program from the point of view of humanitarianism,

that it represents the spirit of the American Revolution, the spirit of freedom and the spirit of Christian living, but, in addition to that, it has been good military policy, and it has been good economic policy, as has been demonstrated time and time again.

Finally, Mr. Chairman, I ask defeat of the pending amendment as a matter of public policy. President Johnson has been in the White House for a little over 6 or 7 months. When he submitted this budget to this body he said, and I take his word for it, that this is a barebones budget. When the authorization came before the House of Representatives a few weeks ago and the distinguished gentleman from Pennsylvania, Dr. MORGAN, chairman of the Committee on Foreign Affairs, argued the case, he convinced the Members of this body that the President of the United States was right and that he deserved the support of the people of the United States and their Representatives in this body.

The question here is a simple one: Whether or not we are going to trust this man who has been there for just a few months, and in that period of time has been confronted with crisis after crisis. Everybody knows that when Brazil was teetering on the verge of communism, it was the strength of this man in the White House that prevented that takeover which would have made Castro's Cuba look like a Sunday afternoon picnic. There was about to be a raid on Cyprus, and it was the strength of the President of the United States which prevented that. Everyone knows we have had a crisis in Vietnam, but the Ambassador who has just returned from there, a distinguished member of the opposition party, their candidate for Vice President only 3½ years ago, has affirmed that policy, and said it is the best policy we can pursue.

So I say the issue is a very simple one: whether or not, after full examination by the Bureau of the Budget, by the President of the United States, and by the House authorizing committee, the Committee on Foreign Affairs, we should support this recommendation. It is up to us now to support the President of these United States in this barebones request.

I hope that the pending amendment will be defeated, and that the distinguished chairman, the gentleman from Texas [Mr. MAHON], will be supported, and that the bill will be passed without amendment.

Mr. CONTE. Mr. Chairman, I rise in opposition to the pending amendment.

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, I shall certainly not dwell on personalities. I would like to discuss, if I may, where these cuts are going to be made, and what effect they will have on the program as a whole.

Already the Congress should know that \$200 million has been cut by the committee. The proposed cuts by the former chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], amount to \$247 million—\$29 million in

development grants, a cut of \$10 million in the U.N. international organization, a \$51 million cut in supporting assistance, a \$50 million cut in the contingency fund of the President, and an additional \$25 million cut in the Alliance for Progress and Development Loan Fund, an additional \$82 million cut in development loans, making a total cut of \$247 million.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield.

Mr. RHODES of Arizona. The gentleman did not intend to indicate that all of these cuts were additional, because, as the gentleman realizes, in international organizations and development grants and supporting assistance and the contingency fund the majority did not make any cut, so there would not be any additional cut.

Mr. CONTE. It is clear that the \$247 million is an additional cut to the \$200 million cut that has been made by the subcommittee and the full committee.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Virginia.

Mr. GARY. The gentleman has just stated that the proposed amendment would cut development loans \$82,000,000 more than the committee recommends. Is it not true the committee has already recommended a \$140 million cut in that item?

Mr. CONTE. Yes; the gentleman is absolutely right.

Mr. GARY. That would make a cut of \$222 million.

Mr. CONTE. Mr. Chairman, in regards to supporting assistance which the minority wants to cut \$51 million here today, if you could close your eyes and just listen to this debate in 1960 under this same category, then known as defense support, when the President asked for \$600 million, not the figure of approximately \$400 million as in this bill but \$600 million, \$200 million more than this bill provides, on page 13117 of the CONGRESSIONAL RECORD of 1960, on June 17, a speaker said at that time:

Defense support provides economic assistance and budgetary assistance for 11 countries that are on the immediate periphery of the Soviet Union, plus 1 other country, Spain, where we have today 2 highly important Air Force bases and 1 vital Navy installation. This defense support program helps to provide over 600,000 Formosan or Taiwanese military forces, it assists in the implementation of the South Korea military organization, providing something like 600,000 active duty South Koreans. It also goes to support the military forces that are part of NATO in Turkey and in Greece. In other words, this defense support program to a very substantial degree assists us in providing the necessary deterrent to keep the Soviet Union and Red China from undertaking any aggressive action in a military way.

In contrast to the program that we just discussed, military assistance, where we have had an increase in fiscal 1961 over previous fiscal years in defense support, actually the defense support program is going downward. This tends to reflect that the economies of these 12 countries are improving; that they are better able to handle their own economic responsibilities.

I say to you with conviction that this figure of \$600 million that appears in the

bill is too low. It is \$124 million less than the President requested and it is \$75 million less than the authorization figure which we enacted into law very recently.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 5 additional minutes.)

Mr. CONTE. This speaker further stated:

I say to you with conviction that this figure of \$600 million that appears in the bill is too low. It is \$124 million less than the President requested and it is \$75 million less than the authorization figure which we enacted into law very recently.

Mr. Chairman, these are the words of the gentleman from Michigan [Mr. FORD], one of the minority members who signed this report and was standing in the well of this House today asking that we cut \$51 million from the supporting assistance, when it is already \$200 million lower than it was in 1960.

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield.

Mr. ROONEY of New York. Is it not a fact that the item of supporting assistance was strongly justified before the subcommittee by the Secretary of Defense, Mr. McNamara?

Mr. CONTE. It certainly was.

Mr. ROONEY of New York. And it is an elemental part of the defense structure?

Mr. CONTE. That is exactly right.

As was mentioned in that debate to which I referred a moment ago, defense support dovetails with the military assistance program, and one depends on the other. Things have not changed since 1960 in southeast Asia. Eighty-two percent of the supporting assistance funds today go to countries in southeast Asia.

If you are going to cut this budget \$51 million, I ask you where? Where in southeast Asia are you going to make these cuts?

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. FORD. I think the gentleman from Massachusetts failed to mention two significantly different circumstances between the 1961 fiscal year bill and the bill at the present time. In 1961 the President asked for \$724 million and we were debating whether \$600 million following the \$124 million cut was too great. In this bill before us today neither the authorization or the appropriation bill calls for any reduction whatsoever in the supporting assistance program.

Mr. CONTE. Except that you are proposing a \$51 million cut.

Mr. FORD. That is correct. There is one other fact that I think is somewhat significant. At the time we were considering the fiscal year 1961 appropriation, the program had been in effect for 4 or 5 years in southeast Asia. We are now considering the fiscal year 1965 appropriation bill. Four years have elapsed. Is it not fair to assume that in a 4-year period there ought to be some gradual economic improvement on the

part of the beneficiary country? Is it not fair to assume that they ought to be making a bigger effort on their own part? Is it not fair to assume that as they make a bigger effort and are able to do so, we could honestly and legitimately phase down our own contribution? After all, in a 4-year period they ought to be standing better on their own feet without our help.

Mr. CONTE. I agree wholeheartedly with everything the gentleman from Michigan has said. I agree wholeheartedly and this is just what the administration has done. In 1960 it was \$600 million, that they were asking for. Today the administration is asking for \$405 million which is a decrease of \$200 million which shows sincerity on the part of these countries, in doing everything they can to work out their difficulties, and stand on their own two feet.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio.

Mr. HAYS. I am a little perplexed at the kind of logic we hear coming from the gentleman from Michigan. He says things ought to be better and he proposes to cut today when, if I can read his statement correctly, only 2 days ago he issued a policy paper in which he said things were worse and that we had a "why win" policy and all of that. Things must have gotten really better in the last couple of days.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. LINDSAY. Mr. Chairman, I would like to compliment the distinguished gentleman from Massachusetts on his performance on the floor today and yesterday and to stand with him in opposition to these amendments.

Mr. Chairman, I rise in support of the full appropriation for foreign aid and in opposition to the amendments offered by the gentleman from Louisiana [Mr. PASSMAN] to cut the bill. Let us remember that the authorization which this appropriations bill is supposed to support, is the second smallest in its 16-year history.

Now let us examine some of that history. Our experience since World War II is that our foreign aid programs have been beneficial to the vital interests of the United States. It has, perhaps, been the key factor in our ability to build a world in which all men might move toward freedom and in which our own freedom might remain secure.

This bill should be debated against that experience, not in terms of worn and oversimplified criticisms.

The Marshall plan was a solid and unquestioned success in helping the countries of Western Europe and Japan to full economic recovery. It did not bankrupt us. It did give us strong allies and greater export markets than we could have dreamed of before the plan began.

We have the solid success of our assistance program in converting aid receivers into aid givers. Our developed and recovered allies in Western Europe have already provided more assistance to the underdeveloped countries of Asia, Africa, and Latin America than the \$13 billion

we provided them under the Marshall plan.

We see today our first successes in the developing world, as 14 countries approach the transition to economic self-support and the end to their need for extraordinary assistance from us. Economic aid to Taiwan under the Foreign Assistance Act will end next year. Greece, Israel, Mexico, the Philippines, are approaching self-supporting growth.

It is easy to forget that just a little over a decade ago, the Republic of China on Taiwan was as heavily dependent on U.S. assistance to stay afloat as Vietnam is today. It is easy to forget that Greece, 15 years ago, was still fighting for its life against Communist guerrillas. It is easy to forget that Korea, just 5 years ago, was still a war casualty surviving on U.S. supporting assistance and, to most observers, with little prospect for the kind of vigorous economic development activity being carried out there today.

We have behind us the successful conversion of our assistance programs into a unified, rational, and businesslike operation. Our programs are concentrated today; two-thirds of development loans go to seven countries, 80 percent of our supporting assistance to just four countries, nearly 90 percent of all our economic assistance to just 25 countries.

We have seen the orderly shift from grants—90 percent of our program during the Marshall plan period—to loans, which finance nearly 70 percent of our economic assistance to other countries today. In the face of an American balance of payments problem, we have seen the AID program shifted to minimize any effect. More than 80 percent of AID funds today are spent in the United States for U.S. goods and services, and the AID program can no longer be counted a significant drain on our dollar balances. In fact, repayments on past assistance are now aiding our balance of payments.

We have witnessed a steady decline in the burden of our aid program on the U.S. economy. In 1949, the amounts appropriated by the Congress for military and economic assistance were approximately 2 percent of our gross national product. President Johnson's request of \$3.5 billion for fiscal year 1965 represents 0.6 percent of our gross national product. Even including Public Law 480, the 1965 program amounts to 0.8 percent of GNP. In 1949, the foreign aid appropriation was 11.5 percent of the Federal budget. The request for 1965 represents less than 4 percent of the budget.

A decade ago, the United States was the only important source of aid to the developing countries. Today, 17 free world countries other than the United States, many of them former aid recipients, conduct substantial assistance programs. There has been a significant growth in the programs of other donors. Nonetheless, the question remains, Are others doing enough?

In 1962 the official bilateral aid commitments of the other DAC countries combined amounted to sixth-tenths of 1 percent of their GNP. This compares with the U.S. figure I just mentioned, including Public Law 480, of eight-tenths of 1 percent. Performance varied considerably between countries. France

provided 1.26 percent of its GNP in bilateral aid commitments, most of it on a grant basis. The average for the other DAC countries, excluding France and Portugal, was four and one-half tenths of 1 percent.

The relationship of aid effort to GNP is meaningful as a rough indicator of performance. However, in making a judgment about this performance, we must keep in mind the difference in per capita GNP between ourselves and the other DAC countries. In 1962 per capita GNP in the other DAC countries averaged \$1,135. This is only about 40 percent of the \$2,974 per capita GNP for the United States in 1962.

On balance, the comparison suggests that the other DAC countries except for France and Portugal could reasonably be expected to increase their aid commitments. Some are doing so. Canada, the United Kingdom, and Japan have taken steps to increase their aid effort. Some others—notably Germany—have not shown signs of increasing their aid.

The efforts of this Government to get other free world nations to increase their aid through the DAC and on a direct bilateral basis have been impressive. More needs to be done and more is being done, both in amounts and terms.

The AID program finances about a billion dollars a year in exports from American factories to the developing countries—countries that will become tremendous export markets as they develop and as their people get jobs and money.

In some fields, the AID-financed export share is substantial: one-third of all U.S. exports of railway equipment, a third of our fertilizer exports, 21 percent of our exports of iron and steel products. These goods are needed for development projects: power dams, irrigation, roads to open up new lands, and the like. But they are also introducing American products into new markets and our past experience has shown what that means.

Our biggest present export customers are the developed countries of Western Europe and Japan. Our exports to Europe have doubled since 1950, our exports to Japan tripled in the same period. The coal exporters tell us that nearly \$300 million in 1962 coal exports is directly traceable to Marshall plan shipments of American coal to European markets previously unfamiliar with our coal. Japan, where U.S. agricultural surpluses kept starvation away after World War II, got acquainted with our farm products through aid and is today our biggest single cash customer for agricultural exports.

The same thing is happening now in the developing countries. Trade is following aid, as it did in Europe and Japan. Over the past 5 years, there have been increases in U.S. commercial exports—not AID financed—of 14 percent to Taiwan, 28 percent to Colombia, and 76 percent to Israel.

Mr. Chairman, obviously this program cannot carry on without public understanding and acceptance. I do not deny that the country has chafed at the program. It is difficult to see its benefits in our daily lives.

But it is not fair to say that our foreign aid program has no public support.

This has been demonstrated by recent public opinion polls which have demonstrated that the appeal of foreign aid as a practical instrument of foreign policy is stronger than is commonly realized.

Results of Gallup polls on attitudes toward foreign aid have shown an impressive growth in supporters of the program since 1958. The percentage of persons in favor of the program rose from 51 percent in 1958 to 58 percent in 1963, while those opposed declined from 33 to 30 percent.

The more recently conducted "Minnesota poll"—a highly respected index of Midwestern opinion—showed a 2-to-1 majority in favor of the view that our foreign aid program has benefited the United States.

Particularly revealing are the views of the Nation's businessmen toward our foreign aid program. When the Research Institute of America conducted an opinion survey among 1,400 representative business executives, it discovered that three out of four were opposed to eliminating foreign aid. Eighty-nine percent agreed fully or generally with the proposition that the prime objective of our aid program should be economic, and that "a community of self-supporting free nations is in the best interest of the United States."

Various private organizations of Americans—church groups, civic associations, business, labor—are also committed to the continuing support of foreign aid. In 1963, nongovernmental organizations which testified on behalf of the administration's request represented some 50 million members.

But perhaps the most significant success of this program over the years, and the most important success to keep before us as we conduct this debate, is our unbroken tradition of bipartisanship in considering the foreign assistance program.

We have continued this program, carefully narrowing it in progress, regardless of the party in power in the executive or the legislative branches. Members on both sides of the aisle have joined hands to assure passage of the foreign aid requests of Presidents Truman, Eisenhower, and Kennedy.

Very recently, the Republican study group, the Critical Issues Council, issued a statement on the foreign assistance program. The council's report differed on details of administration, on emphasis in policy. But the report voiced my own belief in stating:

On balance, the aid program has been a solid success in achieving its primary purpose of helping to keep the free world free.

We have before us the appropriations bill to continue this vital program. It is the second lowest request in the program's history. It has already been cut to the minimum.

Gen. Lucius Clay, who last year advocated sharp cuts in the foreign aid program, last week endorsed the full amount reported by the committee. General Clay said: "If we are to succeed in our foreign policy objectives, and if we are to continue in our role of leadership in the free world, we should not cut back further now in foreign aid. As

it is being administered now it is essential in our own interests, and to reduce it further would be to weaken our world position."

Even more recently, former President Eisenhower asked that the full amount be voted "without partisanship." The amount, he said, "cannot be drastically reduced without damaging the vital interest of the United States."

In a spirit of true bipartisanship I urge support for the bill and the defeat of the amendments.

Mr. CONTE. I would like to point out further that in that debate one of the Republican leaders on my side of the aisle agreed with the gentleman from Michigan when he said that defense support goes hand in glove with military assistance and without defense support, military assistance aid that we give in many places would not really be worth very much.

I agree with that wholeheartedly and, yet, here today in committee and in the full committee we did not cut one penny from the military program.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

(Mr. CONTE asked and was given permission to proceed for 5 additional minutes.)

Mr. CONTE. We are providing the entire \$1 billion asked for by the administration and, yet, every member of the committee admits that this dovetails in with the military assistance program and that one goes with the other. Yet, they are attempting to cut \$51 million from the supporting assistance program.

These amendments are to be voted on en bloc. So you will not have an opportunity to vote on each amendment separately. Therefore, if you vote in favor of the amendment, you will be voting for a cut of \$51 million in supporting assistance which is vitally needed in those countries that are situated in the underbelly area of the Sino-Soviet bloc, countries like Taiwan, South Korea, Vietnam, and Thailand. Are we going to let these people down in a time of need?

It is highly important that these amendments be defeated and the only way that we can keep America strong and the free world strong is by defeating all of the amendments, otherwise if you vote for the amendments en bloc you will be cutting \$51 million from the supporting assistance program.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. BARRY. I wish to support the gentleman in what he has said. I point out to the committee that which I pointed out with respect to the authorization bill, which was before us during the past few weeks; namely, if there are those who want to cut the program, they should step up to the desk and get hold of the books which show where all of the money under the bill, except the contingency fund, is programed, and then say where they want to make these cuts.

I have gone over the figures for the various countries. I believe we would

do a disservice to our entire program to make the kinds of cuts which are asked for in the amendments.

We should be responsible instead of using a meat ax and saying that in other years we have done this thing. We now have a responsible bill, tailored to meet the needs. I believe it should be passed without the amendments reducing the amounts.

I commend the effort which is made to retain the bill as presented to the Committee.

Every year, regardless of the foreign aid authorization bill passed by Congress, certain critics of the program insist upon drastic reductions in appropriations, regardless of how these cuts will jeopardize our foreign policy. Today these critics again call for further aid cuts, even though the foreign aid program already has been pared to the fundamental essentials.

The foreign aid program is the foremost aspect of our foreign policy because of its great influence on the relationship of our Government to other nations of the world. Although the means of carrying out our foreign assistance program have changed, certainly the ends have not: the preservation and fostering of democratic institutions and principles. The United States cannot stand alone as an isolated island—a future outpost of democracy surrounded by Sino-Soviet bloc satellites.

The foreign aid program has been altered over the years from emphasis on military aid to a greater concentration on economic aid. Grants have largely been replaced by loans. Furthermore, it is no longer solely an American effort as evidenced by the assistance of our allies and the multilateral agreements through the World Bank, Export-Import Bank, OECD, and other international organizations.

Some critics have called the foreign aid program a one-way street. It is their belief that our country pours billions of dollars into economies of the developing nations and receives nothing in return. Because of foreign aid, world markets have greatly expanded for U.S. private investors and for U.S. commercial enterprises. As nations become more fully developed, capital increases and with it the demand for U.S. goods. Last year American business profited by \$900 million of exports alone due to the foreign aid bill.

Of the gravest importance is the fact that the survival of the United States and the free world is dependent on deterring Communist influence and aggression throughout the world. If democracy is to survive it must be fostered and abetted through the efforts of the combined aid of all industrialized free nations.

If we believe strongly in freedom, we must be willing to preserve republican institutions. In the past we have sent our men and women to fight for democracy in other lands. American armed manpower is now being replaced by materials and equipment, by trained agronomists and educators, by dollars and grains. Foreign assistance has changed—and at a much lower cost to

the American people. Would those who advocate reduction in the foreign assistance budget to the point of ineffectiveness prefer to follow up their convictions by sending men instead of dollars to fight Communist takeovers?

Sir Winston Churchill once said of the U.S. aid program:

There is no other case of a nation arriving at the summit of world power, seeking no territorial gain, but resolved to use her strength and wealth in the cause of progress and freedom.

Since 1948, our foreign aid program has undergone many changes—some of them subtle, others actual reversals of former policies. Fifteen years ago, primarily through the auspices of the European Recovery Plan, 86 percent of our assistance was disbursed to Western Europe and Japan. Today, the majority of our aid is directed to Latin America, Africa, and Asia. Ten years ago, 60 percent of the foreign aid program was devoted to expenditures for military equipment and training. Today, economic aid totals 70 percent. Five years ago, two-thirds of economic aid was in the form of grants. Today assistance is financed through loans repayable in dollars. These changes denote a willingness to keep abreast of the world situation and to improve methods of implementation as we learn from experience over the years.

Seventeen of the nations which once received the assistance of the United States have moved from economic aid to self-support. More and more industrialized countries of the world are following the leadership of the United States and developing full-scale foreign aid programs of their own, as well as contributing through international organizations. Twenty other nations are now contributing their resources and technical skills to developing countries.

Estimates place free world aid, other than that from the United States, as totaling more than \$12 billion. In 1956, grants and loans from the free world states totaled only \$900 million. It rose in 1961 to \$2.5 billion. Today, contributions exceed \$6 billion annually and are still expected to increase. This clearly indicates the conviction of former U.S. aid recipients that foreign assistance on a world scale insures world freedom through economic development.

The grand object, therefore, of American foreign aid policy is the strengthening of democratic influence. U.S. assistance allows the developing countries an alternative to grow in the direction of stable and mature societies and to resist arbitrary, lawless, personal government through totalitarian influences. We do this through a program pared to fundamental needs, based on loans, and one which augments U.S. commercial enterprises through which the U.S. Government benefits indirectly.

The newly emerging states need assistance for internal economic growth. They demand modernization, industrialization, and progress. We of the free world must feel obligated to help them attain their goals. In many ways their future is in our hands. To fail them now is to fail ourselves and democracy.

Let us hold the line by approving today the smallest annual foreign aid budget ever requested, as well as a bill highly responsive to Congress repeated requests of the past.

Mr. REID of New York. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. REID of New York. I rise to compliment the gentleman from Massachusetts and in opposition to the several amendments.

I believe the gentleman has touched succinctly and clearly on what some of the cuts might mean in a number of areas. I should like to touch on one or two others he did not mention.

If we should substantially cut development grants, we would go to the heart of the point 4 program. If we should cut the technical cooperation program, we would affect schools, agricultural extension agents, technicians, health workers and teachers in some 48 countries in Asia, Africa, and the Near East.

As the gentleman knows, if we do not spend the amount of money necessary for example for teacher training for 100 teachers, which might be only \$100,000, we might in turn cost 50,000 students, over a period of 20 years, their opportunity for a better education.

I would add that adequate funds for international organizations and programs are important. UNEF, on the Sinai border; UNRRA, which affects refugees; or UNICEF are vital programs. If we cut them, we will be doing something harmful, in my judgment. We should fully support the peacekeeping machinery in the Near East, and certainly we should support children's programs through UNICEF.

The gentleman from Massachusetts was convincing about supporting assistance and the dangers of \$1 million slash. It is quite true that 82 percent of these funds will go to sustain the necessary endeavors in defense support of Korea, Laos, Vietnam, and Thailand. Counterinsurgency and road construction funds for example for the northeast section of Thailand bordering Laos—are obviously important in the light of recent events.

Finally, there are development loans under the Alliance for Progress. Now that Brazil is perhaps starting to turn the corner is hardly the time to cut back one-fifth of this program. This could affect also the Central American Integration or common market, which can be a basis for economic and social progress in Central America—in Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. In addition cuts of \$25 million on top of an earlier reduction of \$40 million could affect key projects in Chile and Colombia.

I stand with the gentleman in bipartisan support of this program and in bipartisan support of former President Eisenhower and President Johnson. It is a vital program. It should not be trimmed. The amendments should be defeated. This is a time for statesmanship and responsibility and not politics.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent (at the request of Mr. McCORMACK), Mr. CONTE was given permission to proceed for an additional 5 minutes.)

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I want to congratulate the gentleman from Massachusetts for his strong stand in support of the bill and against the amendment.

I remember vividly the situation in 1961, when the gentleman from Michigan offered an amendment on the floor to increase military assistance by \$300 million. On that occasion he made a well documented and moving speech in behalf of his amendment. He ended up the debate with a persuasive paragraph.

After hearing the explanation he made a moment ago of his views on the cut he now proposes of \$5 million in supporting assistance—then called defense support—I wonder why he does not follow what he said in 1961. He said:

We follow the military budget recommendations of our own Army, Navy, and Air Force experts, our Secretaries of Defense, whether they are Tom Gates or Robert McNamara. We just appropriated \$6 billion for fiscal 1962 more than we appropriated for fiscal 1961 for our own Army, Navy, and Air Force. We followed their advice when they asked us for money for our own Army, our own Navy, and our own Air Force, and then we do not follow the same advice they give us for military assistance for our allies, for our own mutual security.

Now, I just cannot see why there would be such a change in his position from 1961, when he took this floor and fought very hard for the additional money for military assistance. I think supporting assistance is now as it was then just as vital and just as important as military assistance. They are tied in together. You cannot operate an army in South Vietnam on military assistance alone, but you must have supporting assistance or what we formerly called defense support.

I think including a cut of \$51 million to the minority amendment would weaken the position of the minority, because I think this weakens our military posture in every place we are confronting international communism face to face today.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. FORD. It is true I offered an amendment to increase the appropriation bill by \$300 million in calendar 1961 for fiscal year 1962 and the distinguished gentleman from Pennsylvania [Mr. MORGAN] rose on the floor of the House, as he is doing today, but in that instance he was complimenting me for the attitude I expressed at that time.

Mr. MORGAN. I certainly was.

Mr. FORD. I appreciated his remarks then and I appreciate his remarks now, because I think they help to make the point. I say that because there is not one dollar cut in this bill today for military assistance, and the amendment in 1961 was for military assistance.

Mr. CONTE. There was also an amendment for defense support.

Mr. FORD. Not in 1961.

Mr. CONTE. I am talking about 1960. The gentleman supported it and he said—this is the gentleman from Michigan:

May I add this: In 1957 this defense support program totaled \$1,161,700,000. To restore money to the program, taking the figure of \$650 million for the fiscal year 1961, we find that the program from 1957 to 1961 would have gone down \$500 million.

My argument here today is this administration trimmed another \$200 million, and for doing that you are trying to hit them on the head and say you should not bring in such a tight budget but bring in a fat budget so we can cut it and let the House get credit for it. This is wrong and I am going to oppose it.

Mr. FORD. Will the gentleman yield again?

Mr. CONTE. Yes.

Mr. FORD. He mentioned my name a moment ago. Despite this alleged tight budget, you must concede that the budget request this year for fiscal 1965 is more than Congress made available in fiscal 1964.

Mr. CONTE. We could get into an argument here that will last all day. Last year we had a carryover of approximately \$400 million. This year that estimated carryover will be only \$53 million. Therefore, without the supplemental for Vietnam for military and economic assistance, this budget is about the same as the budget we passed last year.

Mr. FORD. If there was such a large carryover a year ago, I think this casts considerable adverse reflection on the management of the program a year ago.

Mr. CONTE. Why, we have had, and the gentleman knows it as well as I do, carryovers from time immemorial. When the gentleman from Oklahoma got up here to speak and read off a letter from the President, you asked him the question in regard to fiscal year 1954. You said we had cut the program \$600 million, and yet the President complimented the gentleman from Oklahoma for his stand. But what he failed to say is in fiscal year 1954 the President asked for \$5,475 million, which is one of the largest foreign aid budgets ever requested of the Congress of the United States.

#### EFFECTIVE FOREIGN AID—PEOPLE TO PEOPLE TECHNICAL COOPERATION

Mr. Chairman, I am deeply disturbed by this amendment to cut additional funds from the technical cooperation program.

A key element of the U.S. foreign aid program is the technical assistance effort going forward in many emerging countries around the world. In more than 20 countries technical assistance constitutes almost our entire foreign assistance effort. In other countries it is carefully coordinated with other forms of assistance to insure that our help gets to the people.

In many countries a small number of devoted Americans are working among the people to transfer American know-how and skills. They are not living in luxury as is often charged. Rather, they are working side by side with the people

of the developing countries getting a job done. It is a challenging, often frustrating profession.

These are people from the backbone of America—from Vermont, Indiana, California, from all over the United States. These are people with the kind of pioneering spirit which built America.

Because of them, and the rest of our aid effort, U.S. foreign assistance is reaching the people of the underdeveloped world. It is making a constructive impact.

The evidence of this impact is not often dramatic. Nevertheless, change is occurring at an increasingly rapid pace. For every constructive change in the traditional way of life that is visible, there are many others that are spreading more slowly but which will ultimately transform the society of the underdeveloped nations in the decades to come.

It is clear that if there is to be substantial development in these nations it will have to come from changes generated and accepted within the framework of their own societies. This is what self-help really means—not simply that we would like to have developing nations pay a fair share of the cost of development, but rather that we and they realize that lasting development must be built from within.

It is within this framework that U.S. technical assistance plays such a basic and vital role. Technical assistance helps the individual in an underdeveloped country to help himself and to help build his society. It enables the campesino, the peasant, the tribal farmer to adapt the technical know-how and expertise of the modern world to the realities and confines of his own primitive conditions.

Modern communications, independence, the education of a few native leaders are causing an awakening in the developing countries. In some places it is an emotional demand for modern social legislation or educational facilities; in other places it is a less articulate but no less pressing demand for improved health practices or for the right to own the land that the people work; in still other places—perhaps the majority—it is a slowly growing realization that things need not necessarily be as they have always been. This, for many, is the one dynamic new idea: that change is possible; and that the pattern of life of the last 2,000 years need not be the pattern of life for the next 2,000 years.

American technical assistance is helping to insure that the changes which will inevitably occur in the developing countries are changes for the better; that all people share in the opportunity for a better life.

How effectively are we achieving this goal? Let me give you a few examples from one area of our foreign assistance program—agriculture. These examples could be repeated many times in other areas such as public health and education.

In Nigeria, 170,000 farmers will be reached by AID-assisted and trained extension workers in 1963. More than 100 Young Farmers Clubs with a total membership of more than 7,000 Nigerian

youth have been organized under the guidance of a single AID technician.

In the Sudan, 325,000 people are being reached this year by agricultural extension programs sponsored by AID.

In South Korea, counterpart funded loans from members of the National Agricultural Cooperatives Federation provided more than 724,000 individual agricultural credit loans for crop production during 1962. Fifteen thousand loans were made to village cooperatives to assist in procurement of materials and marketing.

In Ghana last year, 180,000 farm families were reached directly by AID-sponsored agricultural extension farm programs. These programs included demonstrations and training in livestock development, vegetable production, construction and use of minor irrigation works, and the uses of fertilizer and pesticides.

In Turkey, 31,000 of the total of 40,000 rural communities will be reached this year by AID trained and assisted agriculture extension workers. In the last 2 years, 246,000 new acres of farmland have been prepared for irrigation. Almost 17,000 potential farm leaders from 3,500 villages have received water and soil conservation training under a program financed by Public Law 480 commodities.

In Chile, 215,000 farmers were reached last year by AID-sponsored extension activities. Twenty rural training centers are reaching 2,000 students each year in basic agricultural techniques.

In Taiwan, 80,000 agricultural credit loans were made last year under the sponsorship of AID-supported National Agricultural Cooperatives Federation. Also, 637,000 farmers are benefiting directly from AID-generated farm and home economic extension work. More than 80 percent of farm families in Taiwan are now being reached by extension workers.

In Vietnam, in the midst of a shooting war, rapid strides are being made in increased agricultural production; 300,000 people are being reached by extension work in basic agricultural techniques. A million and a half people have been reached by a plant production program designed to provide training and demonstration in the protection of plants and harvests from rodents and insects.

These specifics are impressive and I am afraid not very well known; but they are not unusual. They are typical of the way in which the U.S. foreign assistance effort is getting directly to the grassroots of the developing nations.

Our foreign aid program is effective; it is doing a job.

This is no time for us to slacken our efforts.

I urge that the House approve the foreign aid bill as reported by the full Appropriations Committee and reject any effort to cut the heart out of this program—technical cooperation.

Mr. Chairman:

Men should stop fighting among themselves and start fighting insects.—LUTHER BURBANK.

One significant and major feature of this program is designed to eradicate malaria.

This terrible disease which multiplies and destroys red blood cells has ruined scores of men, women, and children around the world.

We cannot hope to create a healthy climate in various parts of the world if we refuse to join in a worldwide quest for health.

Our technical cooperation is people-to-people assistance. It is the kind of assistance which gets to the root of a situation and is directed at the people themselves. This money does not go toward wall-to-wall carpeting in plush embassies.

A cut in this program would be a cut in malaria prevention. Can we say that it would be in the best interests of the United States or the free world to stop a program of worldwide malaria eradication that is freeing tens of millions from this disease and, at the same time, opening up hundreds of acres to productive use?

No, Mr. Chairman, this technical cooperation program, studied closely, would please even the most severe and bitter of the opponents of foreign aid for the simple reason that it is designed to help people, here and now. Any cut would be disastrous.

#### MILITARY ASSISTANCE

As a member of the Subcommittee on Foreign Operations, it has been my privilege again this year to participate in the hearings on the administration's request for the appropriation of \$1.055 billion for the fiscal year 1965 military assistance program. Both the testimony presented by executive branch witnesses and a careful review of the supporting documents have fully convinced me that the action already taken by this House in authorizing the appropriation of the full amount requested was clearly in the national interest, and that it is equally incumbent upon us to provide the funds which will give substance to our previous action.

There are a number of valid reasons why I continue to support military assistance as an extension of our own defense posture and an instrument of U.S. foreign policy, any one of which I consider ample justification for advocating appropriation of the full amount requested for the fiscal year 1965 program. My purpose on this occasion, however, is to emphasize two basic considerations upon which I rest my contention that any reduction in that amount is not in the national interest.

First, then, I submit that prior year cuts in fund availability for military assistance have adversely affected—despite vociferous claims to the contrary on the part of some among us—the defense posture of the free world and that any further reduction in the combat effectiveness of allied and friendly armed forces would be entirely inconsistent with the reliance we place upon such forces to help us hold the line against further Communist aggression. So long as the forward strategy of the United States draws that line at the edge of the Iron and Bamboo Curtains, there is an urgent and obvious need to insure that

the defensive strength on the free world side is adequate to balance and deter the use of the offensive potential of the Communist forces on the other side.

As a result of reduced appropriations for military assistance in recent years, this need is not being met. Consider, for example, the situation on NATO's southern flank where the Greek and Turkish forces which we count upon to protect that flank confront massive Soviet and Bulgarian military power poised along their borders. The very fact that there are U.S. forces stationed in Europe and the Mediterranean bespeaks the importance of preventing an imbalance between the capabilities of the allied forces which help defend the area and those of the Communist bloc which threaten it. Unfortunately, however, force improvement and modernization of Soviet and Bulgarian forces has proceeded apace, while equipment of several types in the Greek and Turkish forces is not only deficient in quantity but is subject to a rapidly increasing rate of obsolescence.

Since 1959, the Bulgarian Army structure has changed from one consisting of 10 rifle divisions with limited defensive strength to one consisting of 7 motorized and 3 tank divisions with strong offensive capabilities. Bulgarian forces are now equipped with all the latest materiel essential to mobility and effective striking power. By contrast, the Greeks and Turks are seriously handicapped by shortages in many categories of weapons and equipment; and much of the materiel they do have is so old as to be of marginal usefulness. The danger inherent in such deficiencies is self-evident, but action to remedy the situation has been repeatedly postponed by lack of adequate funds to complete modernization.

Some of the most vital requirements could have been met within the \$1.4 billion request for the fiscal year 1964 military assistance program if a 29-percent cut in last year's appropriation for military assistance had not necessitated a reduction of 20 percent in the programs for both Greece and Turkey. Further deferment of the force improvement items which had to be eliminated in fiscal year 1964 as a result of such program reduction would seriously jeopardize both our military posture and our security interests in Western Europe and the Mediterranean area.

This single example of the adverse effects of previous cuts in fund availability for military assistance is typical of similar problems which plague the common defense effort in other key areas on the periphery of the Communist bloc where we have drawn the first lines of our own defense. It is problems such as these which prompted the Secretary of Defense, in a recent public address, to warn:

Unwillingness to devote sufficient resources to military assistance will weaken the national forces of our friends and thereby weaken the combined forces of the free world on which we rely for defense and for the credibility needed to prevent Communist miscalculation in showdowns.

I choose to heed that warning by voting, and urging you to vote, for the appropriation of \$1.055 billion for the fiscal year 1965 military assistance program. I believe that, in so doing, we shall well serve the national interest.

I also believe that the money we are asked to appropriate represents a sound and productive investment in the peace of the world and the security of the United States. And that is the second basic consideration I wish to emphasize today.

Everything I have learned during the course of successive annual hearings conducted by the Subcommittee on Foreign Operations, and from personal study of the presentation documents, supports my conviction that the dividends which accrue to this Nation and its taxpayers from the funds used for military assistance provide a better than average return on our money. I know, for example, that the 11 so-called forward-defense nations which are scheduled to receive two-thirds of the proposed fiscal year 1965 program maintain a total military strength of 3½ million men, which is more than that of the United States. I know that, whereas the estimated annual cost of each U.S. soldier overseas—just for his pay, allowances, subsistence, and clothing—is almost \$4,000, the average comparable cost of the 3½ million men under arms in the 11 forward-defense countries ranges from \$200 to \$750 per soldier. The only conclusion I can draw from this comparison is that it is good sense and good economics to provide this free world manpower with the equipment and training essential to insure its maximum contribution to the common defense.

I also accept the conclusion drawn by Secretary McNamara that if we failed to realize upon this great potential asset of allied and friendly forces already in position throughout the frontier nations and familiar with local conditions—if we tried to do for ourselves what they can best do—"the cost in men and other resources could increase by a factor of 5, 10 or 20, if we could do it at all." There is no valid reason for us to attempt any such foolhardy and expensive undertaking. It is far cheaper, wiser and safer to provide the military assistance which enables indigenous forces to assume as large as possible a share of the burden of collective security. Not only do they substantially lighten our load but, even more important, their ability to deter aggression substantially reduces the risk of escalation inherent in direct intervention by the United States in support of its mutual defense commitments.

Recent history teaches us that an ounce of prevention is indeed worth a pound of cure. Even at 12-year-old prices, the direct cost of our engagement in the Korean conflict was \$18 billion; and there were 157,000 American casualties not assessable in terms of dollars. The administration is asking slightly more than one-eighteenth of that amount in fiscal year 1965 for a program which is specifically designed to minimize the possibility of another such re-

quirement for the full commitment of American troops to active participation in open war—limited or otherwise.

The administration is asking us to appropriate an amount equivalent to approximately 2 percent of our total national defense expenditures for the military assistance essential to maintain and, where necessary, strengthen the capability of millions of allied and friendly fighting men who represent an extension of our own armed force and contribute substantially to the combined free world military posture which gives substance to both national and collective security. The some \$33 billion we have already invested in the development of that power for peace has paid us excellent dividends in the past. Let us then protect that investment and insure continuing dividends therefrom by making available the funds necessary for optimum use of the military assistance program to promote the foreign policy, security and general welfare of the United States.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MINSHALL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am one of the newer members of the Foreign Operations Subcommittee of the Appropriations Committee. It is also my honor to serve on the Defense Appropriations Subcommittee. I do not set myself up as an expert on military affairs or on the foreign aid program per se, but I have been exposed to the facts. We sat in closed door sessions for the past 6 months, in the Foreign Operations Subcommittee, and spent many hundreds of hours in session. I want to say to the Members of this House that if they had heard the testimony we heard and seen the exhibits we saw they could not in good conscience support what this administration has asked for in this bill.

I also want to say that I have the highest regard for the chairman of the Committee on Appropriations, my good friend, GEORGE MAHON. He conducts extremely fair hearings. I don't always agree with him but respect him for his views. I also want to say the same about my good friend, OTTO PASSMAN. OTTO PASSMAN has forgotten more about the foreign aid than many of the Members on the floor of this House, including myself, will ever know about it. He is the outstanding authority on the subject.

We know that there is still a lot of fat in his so-called "bare bones" bill. That is a phony expression if I ever heard one. I want to pay tribute to OTTO PASSMAN for his strength of purpose and, as I said yesterday, his fortitude and his courage. He is truly a great American.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. MINSHALL. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, the inference has been left by some, and some people have made the categorical statement, that these are firm estimates, that the proposed dollars are lined up, item by item, with specific projects. I have here in my hand the justification books submitted to the Foreign Aid Subcommittee

on Appropriations. I am looking through the justifications book under the item of economic assistance. I shall not designate the area and I shall not designate the country, because under the procedures I may not talk about the country and the dollars simultaneously. However, let me refer to the first three countries which I shall designate A, B, and C. These are the precise figures from the justification book submitted to the committee.

Country A: Fiscal year 1965—program proposed, lower figure \$41,800,000, and the highest figure \$61,800,000. There is a \$20 million difference between the lower figure and the higher figure. I say to you, is this a solid, concrete justification of specific dollars against firm programs?

Country B: The lower figure \$41 million, the higher figure \$66 million. There is a difference of \$25 million between the lowest justified figure and the highest justified figure.

Country C: The lower figure \$116 million, the upper figure \$166 million.

There is a \$50 million difference between the lower figure and the upper figure. Fifty million dollars of flexibility in one country is quite a bit of flexibility.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MINSHALL. I yield.

Mr. GARY. Is it not true that the budget estimate is based on the lower rather than the higher figure?

Mr. FORD. I am reading from their own justifications.

Mr. GARY. I understand, but the budget requests are based upon the lower rather than the higher figure.

Mr. FORD. This is what the justification proposed.

Mr. GARY. The best authority I know tells me that that is true. I refer to Frank Merrill, the clerk of our subcommittee.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MINSHALL. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that in supporting assistance there has been no recommendation that a reduction be made in the figure of \$405 million?

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I asked a question.

Mr. CONTE. I want to answer the question.

Mr. PASSMAN. I am asking the acting chairman of the subcommittee if there has been any reduction made in the supporting assistance item.

Mr. GARY. No; not by our committee, because most of these funds are for the Far East area.

Mr. PASSMAN. I know what the funds are for.

Mr. GARY. That is where the President—

Mr. PASSMAN. I want an answer to the question.

Mr. GARY. I am answering your question. That is where the President requested \$70 million additional for Vietnam.

Mr. PASSMAN. I asked the gentleman a direct question.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(Mr. MINSHALL asked and was given permission to proceed for 5 additional minutes.)

Mr. PASSMAN. I want to ask the gentleman if it is not true that there is one country in the Far East, for which you have a slug of money in supporting assistance for a highway, and they say, "We cannot accept the money; it is incompatible with our philosophy." So they are declining this money, which is in supporting assistance, and you have made no adjustment for that fact.

If I have \$1,000 in bank 1 and \$1,000 in bank 2, and I take \$300 out of bank 1 and put it in bank 2, I then have \$700 in bank 1 and \$1,300 in bank 2; is that correct?

Mr. GARY. I do not understand which question the gentleman wants answered.

Mr. PASSMAN. I will ask my friend the gentleman from Ohio [Mr. MINSHALL], if I have two bank accounts with \$1,000 in bank 1 and \$1,000 in bank 2, and I transfer \$300 out of bank 1 over into bank 2, that gives me \$700 in bank 1 and \$1,300 in bank 2, does it not?

Mr. MINSHALL. That is correct.

Mr. PASSMAN. Mr. Chairman, we are losing sight of the fact that this is an inflated bill. This is not any "barebones" appropriation.

I want to ask the acting chairman this question: If we put together title I, title II, and title III in this bill—that is a limitation on the Export-Import Bank—title II where we have about \$200 million more this year than last year, is it not true that if the bill that is pending before the House at this time is approved there will be \$696,318,400 more in titles I, II, and III than was in the bill at this point last year?

Mr. GARY. If the gentleman from Ohio [Mr. MINSHALL] will yield further, let me say to the gentleman from Louisiana that in discussing title III we realize that it is not an appropriation, and the gentleman well knows it.

Mr. PASSMAN. That is what the gentleman from Virginia is discussing.

Mr. GARY. All the gentleman from Louisiana is doing now is trying to confuse the issue. It is a limitation.

Mr. PASSMAN. If the gentleman does not care to give a factual answer, I shall ask someone from the other side of the aisle the question. May I ask the gentleman from Michigan, if we take titles I, II, and III of the bill, including the limitation on the Export-Import Bank as printed on the sheet, at this time last year the total of the three titles amounted to \$4,396,772,000?

Mr. FORD. If the gentleman from Ohio will yield to me, that was the House version of the bill.

Mr. PASSMAN. That is true. If the bill presently under consideration, without my proposed amendment, should be approved in all three titles, including the limitation on the Export-Import Bank, the amount will be \$696,318,000 above last year?

Mr. FORD. Would the gentleman from Louisiana repeat that lesser figure, please?

Mr. PASSMAN. In the event the bill that is being considered at this time, without my amendment, should be adopted, including the limitation on the Export-Import Bank, the amount of the increase this year over the same stage last year will be \$696,318,400.

Mr. FORD. That is correct.

Mr. PASSMAN. If my proposed amendment to title I only is adopted, the House will still have a bill of approximately \$400 million above that of last year at this point, if we take into account the nonrecurring \$135 million item of last year.

Mr. FORD. The gentleman is correct.

Mr. PASSMAN. And, if you take—

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. These figures are accurate and the members of the Committee are entitled to know about them. Let us not try to confuse the issue.

Mr. GALLAGHER. No; I want the facts.

Mr. PASSMAN. I want the gentleman to answer my question.

If the House adopts my proposed amendment, we would still take a bill to the other body with \$448,518,400 more than was sent over there last year?

Mr. FORD. Those figures are correct.

Mr. PASSMAN. I thank the gentleman.

Mr. GARY. Mr. Chairman, I ask unanimous consent that all debate close in 10 minutes, with 5 minutes reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. CURTIS. Mr. Chairman, reserving the right to object, I would like to observe that most of the debate is being conducted by members of the committee, but there are matters that Members and those under other committee jurisdiction would like to discuss. I have been waiting, trying to contribute something to this debate, and I think I can. At this time it is a little early to cut off debate.

Mr. GARY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close at 4 o'clock.

Mr. FORD. Mr. Chairman, does the gentleman mean the pending amendment?

Mr. GARY. On the pending amendment close at 4 o'clock, with the last 5 minutes to be reserved to the committee, and my request includes all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. BOW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOW. Mr. Chairman, if the limitation is made, are those who are standing, who have already debated this question, going to be permitted to speak, or will it be limited to those who have not spoken on the amendment?

The CHAIRMAN. If objection is raised, it would be limited to those who have not previously spoken on the amendment.

Mr. BOW. I thank the chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. GROSS. Mr. Chairman, reserving the right to object, is this 10 minutes or 20 minutes?

Mr. GARY. At 4 o'clock, 22 minutes from now.

Mr. GROSS. I take it there are about 20 Members standing.

Mr. GARY. I do not know. I have not counted them.

Mr. GROSS. And the gentleman wants to reserve 5 minutes to the committee?

Mr. GARY. Yes.

Mr. GROSS. Mr. Chairman, I object.

Mr. GARY. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto end at 4 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Virginia [Mr. GARY].

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CURTIS].

(By unanimous consent, Mr. Bow, Mr. HORAN, Mr. FORD, Mr. CONTE, and Mr. CHAMBERLAIN yielded their time to Mr. CURTIS.)

Mr. CURTIS. Mr. Chairman, I want to thank my colleagues for yielding their time to me. I know the House is impatient on this matter. We all have been sitting here, including myself, for 2 days trying to absorb the meat of this very important and serious debate.

The reason I take this time to support the amendments, is that throughout the debate I have heard no reference to one of the very critical and important factors that concerns us in the foreign aid program and that is the international balance-of-payments problem. It was the balance-of-payments problem that brought about the Clay report. I have heard very little about the Clay report, not about what the chairman, Mr. Clay, reportedly might have said since the report was issued. I am talking about the Clay report itself. Because it was so very difficult to get the Clay report, incidentally, I put pertinent portions of it in the Record so others could read them.

The Clay report recommended not only a cut of \$500 million in the first year to the then present level from \$3.9 billion, not the \$4.9 billion the administration suggested last year, but to the present level, but then a successive cut in the next year and a cut in the third year.

What is the balance-of-payments situation? Today is July 1. We do not have the final official figures on the balance of payments for the second quarter, which ended yesterday, but those figures are pretty well known, and it is interesting now to notice that no one from the administration's side of the aisle has been down here to talk about the balance of payments. The first quarter picked up very nicely, but I can tell you, and I do not have the complete figures, that the second quarter is not a good figure at all, and it is concerning this administration deeply.

What does this balance-of-payments

picture mean? It means that we are in a serious problem over which we do not have control. Every economist will tell you, whatever his conclusions are, that this is the kind of money, right here in the foreign aid program, that is most vital in the balance-of-payments program. We can talk about balancing the budget on domestic issues and other expenditure programs and they do have an indirect bearing on the balance of payments because the overall deficit in our Federal balance bears on it, but the foreign aid money bears directly. It is blood money, you might say, as far as the balance-of-payments problem is concerned.

Here is how far this administration has gone in trying to improvise to protect against the dire consequences involved in continued negative balance of payments, and, in their own words, the administration says, to buy time.

But if you do not use that time that we have bought to move in to hit at the basic problems in the balance of payments, the time and the payments you have made to buy that time put us in a worse position.

This House earlier this year passed an interest equalization tax. I refer to it, and it is true, as the first time in our history that we have ever imposed a barrier against the flow of capital investment, private investment. It is shameful that the United States should come to this pass that we should impose this kind of barrier on the free flow of investment funds. Better to meet the balance-of-payments problem head on by cutting the foreign aid program to levels we can afford. Here is where the imbalance occurs initially.

This backward-looking bill is sitting over in the Senate right now being pushed by the administration. This is how far we have gone astray to meet the balance-of-payments problem.

Now I have been impressed with the minority views in this committee report in hitting in a reasonable way at what the level of expenditures should be in this program. I was pleased with Chairman MORGAN's statement during the debate on the authorization bill when he said:

It is not a question largely between those who are for foreign aid and those who are against, because most of us are for foreign aid. We are trying to talk about what the level should be.

And this is what the debate is about and this is what the minority of the committee has been doing, in my judgment in an excellent way to point it up.

I would observe, and there is no getting away from it, when President Johnson calls a request for \$3.5 billion a barebones budget when last year only \$3 billion was granted that these words become meaningless. Because, of course, it is not a barebones budget. In the light of the Clay report it is not barebones. The Clay report refers directly to the fact that this program should be cut back in three stages to a level of around \$2 billion. Last year we cut it back some and it should receive a further tapering off this year. This is what we are talking about.

The gold flow problem lies in this legislation too. Also the devaluation of our

own dollar which has come about partly because of these excessive amounts that have been put into the foreign aid program is involved here. Our balance of trade is excellent. It is a plus figure. Our return on private investment abroad is excellent. It is a plus figure. The minus figure in the balance of payments is the foreign aid program.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent (at the request of Mr. RHODES of Arizona), the time allotted to him was granted to Mr. CURTIS.)

Mr. CURTIS. In order to get around the balance-of-payments problem, one of the improvisings of the administration is to sell U.S. Government bonds to foreign countries not repayable in American dollars but repayable in the currencies of those foreign countries. And, of course, the foreign nations gobble them up. That is their way of hedging against the devaluation of the U.S. dollar.

Finally, I remind everyone of what I refer to as Curtis' law, an amendment to Gresham's law, that Federal money, Government money, drives out private money. That is exactly what has been occurring in this foreign aid program. South America is a typical example. Since U.S. Government money came in under the Alliance for Progress program, there has been a dwindling away of U.S. private investments in South America.

If we are going to move the nations abroad forward, we had better get back to the principles that made this country great which are embodied in the private enterprise system.

(Mr. CHAMBERLAIN asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. CHAMBERLAIN'S remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR].

(Mr. ADAIR asked and was given permission to revise and extend his remarks.)

Mr. ADAIR. Mr. Chairman, on at least two previous occasions this year the committee and this House have been told, "If you want to effect economies in foreign aid, wait until the appropriation bill comes along." We were told that the second time we voted on IDA. We were told the same thing when we voted on the authorization bill for foreign aid.

Now we have reached the time referred to by those who said, "When the appropriation bill comes along, let us exercise economy."

I urge and beg you to exercise reasonable economy by supporting this amendment. There is "fat" in the bill. This will make it a better bill. It will restore a measure of legislative control if we adopt the amendment. I urge Members to do so.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, inasmuch as I have been renominated, without opposition, to the 89th Congress by

the fine people of the 5th District of Louisiana, I shall reserve my 50 seconds until 1965.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. GALLAGHER].

(Mr. GALLAGHER asked and was given permission to revise and extend his remarks.)

Mr. GALLAGHER. Mr. Chairman, President Johnson has been honest with the Congress; he has asked for a bare minimum of funds for foreign aid, and we in turn should do no less than appropriate the committee's recommendations.

I firmly believe that the U.S. foreign aid program is one of the critical elements of our overall national security effort. I am impressed, as we all must be that since World War II, four Presidents, all the Secretaries of State and Defense, and all the Chiefs of Staff have recognized foreign aid to be one of the basic tenets of our policy.

As President Johnson recently said:

We now know that the progress which others make in satisfying their own desire for a better life will ultimately affect our own prospects, for we are now a part of a single world community and you no longer can confine your activities or your influence to your local county seat.

A world community of free and stable nations, willing and capable of resisting tyranny, aggression, and subversion—of Communist or any other origin—is the kind of world in which our own freedom and aspirations will best flourish.

It is unfortunate, Mr. Speaker, that the Communist threat to the security of the free world will not abate simply because we would wish to ignore it. The Communist challenge is not only military but involves every area of human endeavor—it is political, it is economic, it is ideological and scientific.

As Chairman Khrushchev warned us more than 3 years ago, the Communists, while rejecting global nuclear wars and even local wars, fully support the use of wars of national liberation, and the application of increased economic and political pressures to extend Communist control over larger and larger areas of the world.

It is ironic, Mr. Chairman, that there are some in this House who support reductions in the President's requests at the very time the Communists accelerate their own worldwide activities. We are now anxiously aware of Communist guerrilla warfare, insurrection, and covert aggression—not only against their neighbors but elsewhere in the world. We also know that so far this year, the Communist bloc has already made new commitments to extend \$800 million in economic aid.

We cannot diminish our own efforts in this same arena; we must not default to our adversaries. It is not enough to meet this challenge through military might alone, either nuclear or conventional. Our response must fit the challenge.

It is not difficult to understand the reasons for our military assistance program. We have based our strategy since World War II on collective defense throughout the free world. It is clear

that if we failed to support and assist those free nations which need and want help to maintain their own independence, it would be necessary to supply our own forces to prevent expansion. The military assistance program is the best means for keeping our own soldiers out of combat.

The attack by Communist China on India in October 1962, offered further demonstration that military weakness tempts the Communist adversary to attack, to seize for the quick, jolting victory. The United States has responded to India's belated recognition of the necessity of military strength. We shall continue to assist India in modernizing her forces in fiscal year 1965.

This coming fiscal year, our military assistance will be heavily concentrated in 11 "forward defense" countries which border the Sino-Soviet bloc—Greece, Turkey, Iran, Pakistan, India, Thailand, the Philippines, Taiwan, Korea, Laos, and of course, South Vietnam. These countries maintain more than 3½ million men under arms.

The military assistance program is surely our front line of defense against Communist expansion through aggression.

The strategic role of economic assistance in our foreign policy is less obvious, although equally important. How, people ask, does a housing project in Colombia, a rural school in Nigeria, or a farm credit program in Iran—how do any of our far-ranging assistance programs serve to diminish the Communist threat, and increase U.S. security.

The answer, Mr. Chairman, is that the United States is committed to the basic proposition that sustained economic and social progress in the underdeveloped regions will give independence and political freedom—not communism—the better chance of survival.

A staggeringly large number of the world's people exist in circumstances of utter and complete poverty. They are hungry, ignorant, and often diseased. They are discontent and restless. They are on the move.

While communism naturally spawns and thrives among the despairing and the frustrated, the United States can and must convince these people, by encouragement and assistance, that they need not adopt or imitate the Communist system; that they need not resort to or acquiesce in Communist leadership in the hope of changing their lives. We must assist these people in achieving the orderly progress, the stability and independence which are vital to the interests of the United States.

Through foreign aid, in the words of Secretary of State Rusk, we strive to "make the world safe for freedom." AID contributes to the efforts of underdeveloped countries to build the thriving economies and social institutions essential for free societies—societies willing and capable of repelling Communist propaganda and subversion; societies which look forward with hope, not back in anger.

The United States engages in this worldwide war on poverty for a variety of reasons, not the least of which is the

generous American impulse to aid the needy and less privileged.

But because the foreign aid program is also such a necessary and vital element of our foreign policy, I believe that in these troubled days this is an ill-advised time, indeed, to deprive AID of any of the resources it needs to move ahead in what President Kennedy called the long twilight struggle for freedom.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

(By unanimous consent, Mr. MAHON yielded his time to Mr. GARY.)

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ROONEY].

(By unanimous consent, Mr. ROONEY of New York yielded his time to Mr. GARY.)

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. DEVINE].

(By unanimous consent, Mr. DEVINE yielded his time to Mr. TAFT.)

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. TAFT].

Mr. TAFT. Mr. Chairman, a few minutes ago we heard from the distinguished gentleman from Louisiana as to the differences between this bill and the amendment. The gentleman pointed out the increases resulting from the bill, which will result even if the amendment is adopted.

One item not mentioned came to my attention as I was looking through the committee report. The only area in which there is a sizable saving, comparing the two, is in the inter-American social and economic cooperation program which is discontinued. For that reason I took a second look, and I found that there is a gimmick here. In other words, we are not getting the full bill today that we can expect before the end of this session.

On April 14 of this year the Secretary of the Treasury, made a talk in Panama, in which he proposed adding to the fund for special operations some \$750 million, from the United States, over the next 3 years. Apparently \$250 million of that will apparently come to the Congress in this session.

I should like to take this time to inquire of the gentleman from Virginia [Mr. GARY], the acting chairman of the subcommittee, whether or not this is the case so that the committee can understand this in making its decision in its vote upon the amendment.

Mr. GARY. Mr. Chairman, if the gentleman will yield, I will say to him that I have absolutely no information on that point whatever. There has been no request or suggestion on the part of anyone, so far as the committee is concerned, with reference to any additional funds.

Mr. TAFT. In that connection I would call to the gentleman's attention the words of the Secretary of the Treasury at that time. He stated:

I hope that we can agree at this meeting to seek the commitment of our governments to a 3-year program to enlarge the fund for special operations by an amount equal to \$300 million per annum of which the United States would contribute \$250 million, and

other members of the bank, \$50 million, all in our own national currencies.

We should not let this slip by. We will face it later, I am sure, if the Secretary of the Treasury is good to his word and the commitments made at that time.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

(By unanimous consent, Mr. HAYS yielded his time to Mr. McCORMACK.)

The CHAIRMAN. The Chair recognizes the distinguished Speaker of the House [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the President of the United States, Lyndon B. Johnson, in submitting his budget estimate on this bill, cut it at least a billion dollars from what was submitted to Congress the preceding fiscal year.

The budget estimate he submitted is the smallest submitted in any year since 1948, with the exception of 1 year. President Johnson has kept faith with the Congress of the United States. He submitted what he considered to be a minimum budget. This is the first budget submitted by him since the unfortunate and tragic death of President Kennedy on this particular subject. The committee has reduced it \$200 million. The effect of the pending amendment is to make a further reduction of \$247 million.

The gentleman from Massachusetts [Mr. CONTE] very effectively and eloquently called attention to the significance of this in terms of supporting assistance; that is, a reduction of 51 million. I call attention to another aspect of the pending amendment, which would reduce the contingency fund of the President of the United States by a sum of \$50 million. Both of these items are of vital importance in connection with combating international communism throughout the world—the supporting assistance and the contingency fund of the President of the United States.

We heard last night one of the most dramatic speeches ever made in the Halls of Congress, the speech made by the distinguished gentleman from Texas [Mr. MAHON], which was a speech that gripped the Members of this body whether they are for the bill or against the bill, because they recognize the sterling leadership that he evidenced last night when he made his eloquent and dramatic speech. This is the first bill that has come out of the Appropriations Committee in the field of foreign assistance since the gentleman from Texas has been chairman of that committee. Are we going to support him? Are we going to support the President of the United States? Or are we going to support those who oppose the effective means by and through which the President of the United States in the field of foreign affairs, so far as foreign assistance is concerned, can perform his duties and his responsibilities? It seems to me that the minimum we should give to the President of the United States is the amount voted out by the subcommittee and the full committee in order for the President to assume the full responsibilities of his office.

This is the affirmative side of our country in the battle against international

communism. This legislation and this appropriation has held back communism. This legislation is not negative but it is affirmative and it is vitally necessary for the national interests of our country.

I urge that the amendment be defeated and that the bill as reported out by the subcommittee and the full committee be enacted into law.

The CHAIRMAN. The Chair recognizes to close debate the gentleman from Virginia [Mr. GARY].

Mr. FRASER. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. GARY. I will be glad to yield to the gentleman.

(Mr. FRASER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FRASER. Mr. Chairman, the future of the world is being fashioned by our actions today. The future of our children and of their children will be affected by the decisions we make today in the Congress of the United States as we vote on bills such as the one presently before us.

During these days when the harsh realities of poverty, disease, hunger, and ignorance rules two-thirds of this planet and when the threat of international communism continues to feed on the discontent which springs from these realities, we cannot afford to weaken or destroy virtually the only means we have with which to influence the course of world events.

The minority would have us believe that the foreign aid program is an unnecessary luxury which we could easily do without. The gentleman from Louisiana [Mr. PASSMAN] has implied this by his statement that we would not lose a thing by refusing to appropriate additional funds and instead rely on the funds already appropriated and in the foreign aid pipeline. This would not only greatly weaken the hand of the President in his conduct of foreign policy, but would also prevent the United States from shaping the course of events in the world.

Mr. Chairman, this House has been presented with a minority report on the pending bill which ignores the real dangers we face today and which reaches several conclusions which are at variance with the facts as I see them.

Minority charge: Let me detail the basis for this conclusion: The United States is financing over 4,000 foreign aid projects scattered all over the face of the earth.

Fact: The total number of active aid projects is 2,358. There is no foundation in the hearings for the higher figure of 4,000 projects.

Minority charge: There are 71,416 people on the AID payroll, and this represents a 7,000 increase over 1963.

Fact: The number of direct hire personnel in the AID economic aid program is 16,406, down 249 from 1963. In the military aid program the number of direct hire personnel is 12,163, down 3,398 from 1963. There are 9,653 personnel working for AID contractors and for other assisting agencies, an increase of 142 over 1963. The United States is helping to train 33,212 foreign nation-

als—either in the military training program or in the economic aid program—an increase of 4,709 over 1963. These foreign nationals are not paid wages or salaries and are not employees of the U.S. Government.

**Minority charge:** The foreign aid program has no counterpart in any other program operated by the U.S. Government. The legislative authority specifies that funds shall be spent for programs which are outlined in the broadest possible terms.

**Fact:** A number of Federal programs, including the Higher Education Facilities Act, the Small Business Administration, manpower retraining, the Area Redevelopment Act, accelerated public works, and many other programs are administered without specific congressional approval for each project.

**Minority charge:** The Administrators of the aid program, including Secretary Rusk, expressed satisfaction with a \$3 billion program authorized for 1964.

**Fact:** The total authorized for fiscal 1964 included the amount reappropriated from 1963, giving a total of approximately \$3,602 million. This carry-over figure was known to the conference committee at the time the new money was agreed upon. The amount of carry-over this year is expected to be far less. Further, the minority report cites language from Secretary Rusk suggesting he was satisfied with the 1964 program level, but the minority report omits the following question and answer found on the same page of the hearings—part I, page 276:

**Mr. PASSMAN.** I am speaking of the amount of money on hand and the programs you presently have planned that you will supplement out of this year's appropriations. I am speaking of the overall program. I ask, do you believe we have a satisfactory program going?

**Secretary Rusk.** There are some situations, Mr. Chairman, where we would like to be able to move faster than we are on such things as the modernization of arms among certain of our allies. We have to try to make a prudent judgment between what ought to be done and what can be done with the resources available. I would not say, looking historically at the program, each year's program has been all it might be in our interest; no, sir.

**Minority charge:** The minority report reproduces a table and makes accompanying statements implying that the outflow of U.S. gold has been accomplished with U.S. aid money given to countries purchasing this gold.

**Fact:** Ninety-one percent of this gold was purchased by countries who repaid more to the United States during the period in question than they received in aid. The use of this table represents one of the most misleading errors contained in the entire report—especially since the falseness of these conclusions was called to the attention of the gentleman from Louisiana since last year when his committee report attempted to make the same argument.

**Minority charge:** The amount of deobligation of pipeline funds is so large as to cause considerable concern.

**Fact:** The amount of economic assistance which has been deobligated during fiscal 1964 is about \$92 million, repre-

sented only 2 percent of the total pipeline. The deobligation of military pipeline funds is 6 percent, but the minority report proposes no cut in military funds. Deobligation of funds is a conservative, sound practice when needs or conditions have changed.

**Minority charge:** The minority report charges that the budget for the foreign aid program is "an estimate of the wildest sort."

**Fact:** The AID budget, just as with any other budget for a Federal agency, is based upon detailed analyses and preparation. The budget process begins about 18 months before the presentation is made to Congress and this process continues until each project is completed. Information is collected and the analysis conducted both in Washington and in the field.

Decisions as to whether to proceed with a specific project are based upon the importance of the project to American foreign policy, the soundness of the project, the performance of the recipient country, and the availability of funds.

**Minority charge:** The foreign aid program is in the words of the gentleman from Louisiana, "uncontrolled and uncontrollable."

**Fact:** This program is subject to the same congressional review and controls as are the other programs of the Federal Government. The flexibility that exists in the program was specifically placed there by the Congress, to enable our foreign policy to respond to the changes that take place daily in the world.

Each year AID must justify its request for funds by grant project and by anticipated levels of spending before four committees of the Congress. It is foolish and wasteful to argue that once a project is approved by the Congress it must be completed and never canceled. This is simply poor management. If a given project turns out to be unnecessary, or if the recipient country does not take the necessary measures to insure the success of the project, the project is not and should not be initiated.

Twice each year AID reports to the Congress under provision of the authorizing legislation on any major changes in its programs in each country and in each funding category.

On the basis of a complete analysis of the facts concerning our foreign aid program, I do not believe that any of my colleagues will want to cripple or weaken this important tool of foreign policy.

President Johnson has submitted a request for the minimum amount of money necessary to carry out the aid program in an effective and meaningful way. The Foreign Affairs Committee, on which I have the honor of serving, approved the request intact.

I ask my colleagues in the House to join with me in supporting the bill as it was reported by the Appropriations Committee. This is, as the chairman of the Appropriations Committee has pointed out, a small price indeed to pay for our security and the prevention of world war III.

**Mr. GARY.** Mr. Chairman, I want to

deny emphatically that this bill carries more money than the bill last year. It is true that last year the bill appropriated \$3 billion, but it also reappropriated \$399 million of unobligated funds. Otherwise they would have gone back into the Treasury and they would not have had the money to use. Therefore, the appropriation last year was \$3,399 million for foreign aid. Now they have said, "Do not pay any attention to those unobligated balances." But that is just as much a part of the appropriation under this bill as the rest of the money. Then in desperation include title II and title III and also claim that limitation on the expenditures of the Export-Import Bank should be included. Why, that is absolutely absurd, gentlemen, and it is pure desperation.

I say to you that the President of the United States has cut this bill to the very bone. I really think it has been cut too much, because I agree with General Taylor and Secretary McNamara that there ought to be more than \$1 billion in the bill for military assistance. I think it ought to be \$1.4 billion.

The claim has been made that the President violated the law last year by transferring funds to military assistance. That is not true. Under section 614 the President has the right to transfer from economic funds to military funds.

I am in hopes if we pass this bill as reported by the committee it will give him sufficient leeway to take care of the military assistance funds which I think are now lacking.

I ask the House to support our committee.

**The CHAIRMAN.** The time of the gentleman from Virginia [Mr. GARY] has expired. All time has expired.

The question is on the amendments offered by the gentleman from Louisiana [Mr. PASSMAN].

**Mr. PASSMAN.** Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PASSMAN and Mr. GARY.

The Committee divided and the tellers reported that there were—ayes 151, noes 171.

So the amendments were rejected.

AMENDMENT OFFERED BY MR. FINDLEY

**Mr. FINDLEY.** Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 17, line 14, strike the comma and all the remaining language on lines 14, 15, 16, and 17, and insert a period.

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

**Mr. FINDLEY.** Mr. Chairman, if this amendment is accepted, this appropriation bill will contain precisely the same provision which the House of Representatives twice voted to include in last year's appropriation bill. You will recall that during the week before Christmas last year the House, on two separate rollcalls, voted to prohibit the use of Export-Import Bank funds to finance sales to Communist countries.

The other body objected, and a compromise was finally adopted which re-

tained the restrictive language but permitted the President to set it aside when he determined such action to be in the national interest.

If my amendment is accepted, the set-aside authority will be deleted, and the language will read exactly as the House twice voted to have it read last December.

The House of Representatives is clearly on record in opposition to financing the Communists. This is as it should be. This is the people's branch of government, the branch intended to be most responsive to the will of the people. If there is one issue on which the people of the United States have been clear and unyielding, it is in opposition to giving aid and comfort to the Communists. Aid can take many forms: a grant of money or commodities or an extension of credit. All increase the resources of the recipient countries.

If this amendment is rejected, this body will be reversing its position so wisely taken in two separate rollcalls in December. This body would be rejecting an amendment to protect U.S. taxpayers from financing sales to Communists.

The implications of this action would be loud and clear; loud enough to be heard around the world even behind the Iron and Bamboo Curtains where the hope of freedom from Communist rule still flickers on. Clear enough to deepen the doubts of those Frenchmen and West Germans who wonder if we really would use our nuclear weapons to defend their homes if the Communists act aggressively in Europe.

Clear enough to bring dismay and anguish to the families of the 161 American boys who have already died fighting the Communists in South Vietnam, and to the families of the 37,000 American boys who died fighting the Communists in Korea.

If you vote against this amendment, it will be interpreted one way and one way only. Its meaning will be deadly clear. A no vote is a vote to permit financial aid to the Communists.

On this vote you cannot hide behind presidential coattails. The restrictive language placed in last year's appropriation bill did not deter the President from using taxpayer funds to finance the Communists.

President Johnson made his determination. He publicly and officially determined it be in the national interest to finance the Communists. He did so in letters to the Speaker dated January 28, 1964. Here is the text of one of them:

THE WHITE HOUSE,

Washington, January 28, 1964.

The Honorable JOHN W. MCCORMACK,  
Speaker of the House of Representatives,  
Washington, D.C.

DEAR MR. SPEAKER: In compliance with title III of the Foreign Aid and Related Agencies Appropriations Act of 1964, this is to inform you that I have determined that it is in the national interest for the Export-Import Bank to issue guarantees in connection with the sale of U.S. agriculture products to the Union of Soviet Socialist Republics, Bulgaria, Czechoslovakia, Hungary, Poland, and Rumania. The Bank will report the individual guarantees to the Congress as they are issued.

Sincerely,

LYNDON B. JOHNSON.

The other letter extended the same determination in regard to Yugoslavia. In passing out credit cards to the Communists, the President apparently momentarily overlooked Yugoslavia. Hence the separate communication.

Then on June 23 came further news, the executive announcement that, pursuant to the President's January 28, determination, U.S. taxpayers are financing cotton sales to Hungary, sales amounting to \$760,000. This action benefits the same bloodthirsty Communist regime headed by Janos Kadar which was placed in power by Khrushchev to crush the freedom uprising in Budapest in 1956.

So it is no avail to hide behind the President's coattails on this amendment. You cannot honestly explain to your constituents that you voted to let the President make these decisions, confident that the President would not use their money to finance the Communists. You cannot because the President has already made his determination. He has already acted to aid the Kadar regime in Hungary. And he has already publicly determined that it is in our national interest to extend similar aid to Communist Bulgaria, Communist Rumania, Communist Czechoslovakia, Communist Poland, Communist Yugoslavia, and the very heartland of communism—the Soviet Union.

The issue is clear.

A "no" vote on this amendment, in effect, is a vote to finance the Communists.

A "yes" vote is a vote to protect the taxpayers from such folly.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Ohio.

Mr. FEIGHAN. This aid would go to the regime, not to the people specifically?

Mr. FINDLEY. That is correct.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first of all, there is a lack of germaneness in this amendment to the bill. There is no aid whatsoever involved in this bill to the Communist countries. On the other hand, I do not come from a wheatgrowing city. We have only one victory garden left from World War II.

The fact of the matter is that this could not be reduced to the simple terms the gentleman used, a vote to finance communism and a vote against the American taxpayer. The adoption of this amendment would be primarily a vote against the American farmers, most of whom rightly support the proposition of selling this wheat. As to the concern for the balance of payments, this has added materially to our balance-of-payments situation in that these have been sales for cash on the barrelhead or short-term-loan propositions wherein they have met their terms. Otherwise the United States would be in no position to compete with Canada or any of the other wheatgrowing countries. We are not trying to finance communism. What we are trying to do is bring about trade in order to reduce the balance-of-payments problem. We are adding gold to the U.S.

reserve. We are not giving any aid whatsoever. We are encouraging trade on terms favorable to the United States.

I quote from a letter from a grain company to the Committee on Foreign Relations of the Senate:

The sale was of considerable benefit to the U.S. farmers and U.S. shippers.

Among other things it said:

The Russian Government is currently able to buy wheat from Canada, Argentina, France, and other Western countries. Therefore, there is no question as to whether or not they will be able to obtain wheat. This is simply a question of whether or not they buy from the United States or elsewhere.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman.

Mr. MAHON. Is it not true that the Soviet Union has paid gold for every bushel of wheat bought and that the Soviet Union has not financed any of its purchases through the Export-Import Bank, and that a vote for this amendment would be a vote of no confidence in the President of the United States and a repudiation of the position which the Congress took after a long battle on this issue last December?

Mr. GALLAGHER. The distinguished chairman is absolutely right and it would be a vote against the farmers of America who save supported this.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman.

Mr. HALLECK. I cannot resist saying at this point with respect to this amendment that we were kept here until Christmas Eve about this business of Export-Import Bank financing for wheat to the Communists. If you will take a look, you will find that we have not sold one single bushel of wheat under that arrangement. The gentleman from Texas, the chairman of the committee, just now has told us that we have been selling wheat for gold. So those of us who thought that that decision was wrong have now been proven to be right in our convictions.

And I am moved to inquire what was all the shooting about? Why were we kept here until Christmas Eve? Nothing has come of that arrangement—not a single bushel of wheat has been sold to Communist Russia under that arrangement. Will anybody dispute that statement?

Mr. GALLAGHER. No one will dispute it. I think the gentleman has made the case against this amendment.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word and rise in favor of the amendment.

Mr. Chairman, I do not believe I will take the 5 minutes, but I simply want to respond to the remarks that the gentleman from New Jersey made. Indeed, it is so. Selling wheat to Russia has helped our balance of payments. But what I would like us to consider is the extent to which this country has been driven because of our balance-of-payments problem so that, as I pointed out, we are selling Government bonds repayable not in U.S. dollars but in foreign currencies. Now in addition we have sold wheat to

our enemies. Is this the preferable course? Or is the preferable course to try to get the foreign aid program down to a level that our economy can afford. Now I am for foreign aid and I have voted for appropriation bills in the past, those that I thought met proper standards, as well as for authorization bills. I think this debate has to do with the levels of our foreign aid programs, and obviously this level is too high. I will say the gentleman has established this fact. Unless he thinks and unless it is his opinion that this kind of improvising is the proper course where the United States is forced to the point of selling wheat to an avowed enemy, not because it is going to feed starving people in Russia because it will be used as a weapon in their world battle against us. Is that the preferable course or is it not the right thing to do to exercise a little bit of self-discipline to get these foreign aid programs down to what we can afford?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman.

Mr. HALLECK. Getting back to the discussion that we were having about the Export-Import Bank financing. As I remember it, we all argued that if the Russians were to buy wheat—and some people did not even like that—but if they bought it for cash on the barrelhead, it would help our balance-of-payments situation and it would reduce the capacity and ability of the Communists to cause trouble around the world. We also argued that if you advanced credit then you not only did nothing for the balance-of-payments situation, but you increased the ability and the capacity of the Communists to cause trouble around the world.

Mr. CURTIS. I will say that the gentleman from Indiana is certainly correct. I took the course and some others did too that it was not wise—even though we had a balance-of-payments problem that was of a serious size, to actually assist an enemy like Soviet Russia by giving them this commodity which they could use so effectively in their struggle to attain world domination.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I believe what is significant in the argument made by the distinguished minority leader is the fact that the Export-Import Bank was used to extend the credit—short-term financing—but they in turn were repaid in gold. Therefore, using the gold or credits they have established, which we obtained, this deprived the Russians of the use of it, for building up armaments or further using it to cause trouble throughout the world.

I believe this is a worthy cause. The gentleman has stated it. The amendment should be defeated.

Mr. CURTIS. I believe this is clear. The dialog has clarified the issue before us. I hope the House will support this amendment.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Ohio.

Mr. OLIVER P. BOLTON. Is it not a fact that some of the gentlemen on the other side have tried to refer to this amendment purely on the basis of a grant, but the actual fact is that the amendment goes to the heart of whether we, through the Export-Import Bank, will lend the credit and faith of our country to trading in any commodities with Communist countries?

Mr. CURTIS. Yes.

Mr. OLIVER P. BOLTON. Therefore, it boils down to a basic decision of whether we wish to permit the administration to follow a line of freer trade with the Communist bloc, or whether we feel that decision should be made by this House.

Mr. CURTIS. The gentleman from Ohio makes a basically sound point. Wheat is only a good example of what can occur.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I should like to answer the gentleman who has only one picture garden in his whole district.

I represent one of the finest wheat districts in the United States. We can store 75 million bushels of wheat in my hometown, yet I did not receive three letters from farmers out there who favored selling the wheat. Do not blame the farmers as to this trade with Russia. The farmers are patriotic enough so that they are not willing to build up Russia, even for the benefit of an increased price of wheat.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. Of course the people there would rather store their wheat. They are getting storage fees. We want to sell it and save some money for the American taxpayers.

Mr. BELCHER. Do not blame this on the American farmers. They would vote against it. There is not a single farmer for this.

Mr. GARY. Mr. Chairman, I ask unanimous consent that debate close in 5 minutes.

PREFERENTIAL MOTION BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I want to thank the gentleman from Virginia [Mr. GARY], for carrying out his agreement earlier in the day to permit unlimited debate.

Mr. GARY. I say to the gentleman—

Mr. GROSS. I do not yield to the gentleman. The gentleman has had the floor time after time yesterday and today. I do not yield.

Mr. GARY. The gentleman has accused me of breaking an agreement.

Mr. GROSS. Mr. Chairman—

The CHAIRMAN. The gentleman declines to yield.

Mr. GROSS. Mr. Chairman, earlier this afternoon someone stated—I believe it was the minority whip—that the question before the House this afternoon is simple. Yes, it is simple. It is a question of whether you are going to load another \$3.5 billion-plus upon the backs of the taxpayers of this country, upon the backs of your children and mine. It is a question of whether you are going to put another \$3.5 billion mortgage plaster on the backs of generations yet unborn. That is how simple this question is.

I supported the amendment to cut out \$247 million. It ought to be far more and I am opposed to this bill. I can find no better words to support my position against adding to the debt and deficit than those of the gentleman from Georgia [Mr. FLYNT], in the CONGRESSIONAL RECORD of July 28, 1959, when he said, of his amendment at that time:

Mr. Chairman, this amendment is proposed and offered for two purposes:

First. To write into law that the mutual security program shall not be paid for by deficit financing; and

Second. To make another genuine attempt to balance our national budget, bring an end to deficit financing and make some payments on the existing national debt.

Beautiful words. I wonder where the gentleman from Georgia stands today on this bill.

Mr. MAHON in the CONGRESSIONAL RECORD of October 6, 1962, said in connection with consideration of the foreign handout bill at that time:

Mr. MAHON. If the gentleman would yield further, I wish to commend the gentleman from Louisiana for the magnificent job which he has done on this bill. I think the gentleman has done as good or a better job this year than in previous years. He has performed a service to the country and I support him. I am glad that the reductions were made.

Mr. PASSMAN said, "I thank the gentleman."

Then Mr. MAHON put the real dressing on the cake when he said less than 2 years ago:

Had the reductions not been made, I do not think I could have voted for this bill.

Where does the gentleman from Texas [Mr. MAHON] stand today?

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. No. The gentleman had all kinds of time on this bill. This is the first 2 or 3 minutes that I have had on this bill that I can recall, and I had to offer a motion to strike out the enacting clause in order to get this time.

I think I know what the gentleman's answer is going to be; that the bill considered in 1962 was a larger bill in terms of money and this is a smaller bill. Well, as far as I am concerned, and recognizing my responsibility to the taxpayers of the Third District of Iowa, this is still far too much money to hand over to foreign leeches. Maybe it is a different story down in the State of Texas. I doubt that it is. I have been in your

State and I do not think that the people of Texas—if you put this foreign hand-out to a vote in the gentleman's district in Texas, or elsewhere, I do not think that they would support for 1 minute the outpouring of another \$3.5 billion on this lousy program.

The gentleman from Texas talked yesterday evening about this bill saving the peace of the world. Well, I have been voting for \$50 billion a year or thereabouts that is contained in the gentleman's bills for defense that he brings to the House for the Military Establishment of this country. I guess I have been voting wrong. Perhaps I should have been voting for \$3.5 billion or \$4 billion a year for foreign aid and against the military. And how did foreign aid effectively contain communism when 90 miles off our shores, in Cuba, there is a spawning ground of communism, a country where we dumped some \$2¼ billion in foreign aid in 10 recent years. Now we permit Castro and his outfit to operate down there and spread communism through South and Central America and then turn around and throw out millions upon millions of dollars each year into Central and South America by way of the foreign giveaway program and expect that to stop the spread of communism.

This is ridiculous and it makes us the laughingstock of the entire world.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. COLLIER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COLLIER. Mr. Chairman, the amendment upon which we will be voting within a very short time should have the support of every Member of this House who has sincerely evaluated the arguments, both pro and con, this afternoon.

It has been repeated on several occasions during the course of this debate that the administration cut the budgetary request of the AID. However, I do not know how anyone can draw solace from this fact. The Agency certainly is aware of the fact that its full request for funds would not be granted for it never has been in the past. It is hard for me to believe that any Member of this House is so naive as to accept the budget request of the Agency on any basis other than its being higher than either needed or expected. It is not unusual for agencies of government to recognize that they will rarely get the sum they request. Thus, they merely ask for more than they say is necessary knowing full well that the cut will be made and the final budgetary request compromised on that basis. The gentleman from Louisiana who has handled this bill on the floor of the House many times in the past has repeated that the foreign aid funds in the pipeline today are more than enough to cover every legal commitment we have in the world today without appropriating another single dime. The opposition has not once challenged this statement.

The fact that many Members of Congress support foreign aid authorizations and appropriations reluctantly is in no

small measure due to the fact that the taxpaying public has become disenchanted with the program and particularly the manner in which it has been administered.

Because every conceivable argument and fear has been injected into this program by those who have strong feelings about it, nearly any statement which is made in opposition to the appropriation request of the administration will be discounted as partisan. For this reason, it might be well to turn to the statements made by Eugene R. Black, former President of the World Bank, just a few months ago. I think it strips some of the arguments made by proponents of this bill of their validity. Justification for the size of this appropriation bill is fantasy.

At this point I shall quote Mr. Black when I say "I would like to suggest that we approach Congress in a direct way and stop pretending that foreign aid is a sure cure for the political ills that plague us at the moment. Foreign aid should be presented to Congress as a means of promoting economic growth and nothing else."

Our foreign aid program, according to Mr. Black, has been unsuccessful as an instrument for bartering with the Communists for favor of governments of the undeveloped countries or for short-term political advantage in those countries. Foreign aid is just not suitable as a means of inoculating governments against communism or bringing about instant conversion for that political religion.

Despite these observations by a man who is very astute in the field of monetary, economic, and political affairs, Members of this House persist in the trite argument that foreign aid has been a deterrent to communism. The history of the spread of communism since the inception of this program hardly bears out the facts. Instead, the desperation of the proponents to pump more and more tax dollars into aid programs, some good and many bad, is reflected in the almost blind reasoning which has no basis of fact and is contrary to the history of the program in so many areas of the world. That Congress has lost control of the foreign aid pursestrings cannot be denied. That the program has either had too much money or has not properly expended the funds made available to it through these annual appropriations has again and again been documented.

It is regrettable that even after these many years that the United States has poured nearly \$130 billion into foreign aid, the majority of the Members of this Congress are not willing to face the facts. The taxpayers of this country are entitled to better treatment by their elected representatives, the political pressures notwithstanding. We have been promised a reevaluation of the program with changes to correct the waste and extravagance and even irresponsibility that has characterized its administration for the past 16 years. Yet we pursue the same course year after year, a course which I am certain the vast majority of the American people do not approve but feel helpless to do anything about.

Consistent with my position in the past, I will not support the foreign aid appropriation bill in the form that it is presented to us today anymore than I found myself in a position to do so on seven previous occasions since I have been a Member of the House of Representatives. Until such time as this Congress faces up to its prime responsibility in the prudent handling of American tax dollars which flow into foreign countries—some of which are Communist—I shall pursue this position. And, until the majority of the Members of this House do likewise, we can expect nothing more or less than a continuation of the inefficiency which has punctuated the aid program in the past and has contributed to a fiscal situation in this country which leaves us with an aggregate public debt in excess of those of all other nations combined, along with the frightening balance-of-payments problem for which no sound solution has been offered.

Mr. RHODES of Arizona. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I would be glad to yield to the gentleman from Iowa if he desires more time.

Mr. GROSS. I have had enough.

Mr. RHODES of Arizona. Mr. Chairman, I would like to explain to the gentleman from Iowa and the House that in my opinion the gentleman from Virginia [Mr. GARY], has been completely accurate and thoroughly frank in keeping the agreements which he made with me. It was agreed between the gentleman and myself that we would close all debate on the amendment which was pending before at a quarter of 4, and the gentleman did not do it until 4. If the gentleman from Iowa is referring to the attempt of the gentleman from Virginia to cut off debate on this amendment, I was on my feet when the preferential motion was made. I was going to ask the gentleman from Virginia to defer his request until the gentleman from Iowa had had his time. I am very sure that the gentleman from Virginia would have agreed to it.

Mr. GARY. I was asking for unanimous consent that the gentleman have ample time to object.

Mr. RHODES of Arizona. The gentleman from Virginia and I do not agree on the bill, but we do agree on the way we should handle it.

Mr. GARY. Mr. Chairman, I ask unanimous consent that after the vote on the preferential motion all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa [Mr. GROSS].

The preferential motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of the amendment of the gentleman from Illinois [Mr. FINDLEY]. As

a matter of fact, the policy which was announced by the administration under which we would guarantee credit to Soviet Russia and other Communist countries in the matter of wheat sales was one of the major arguments used against us when we endeavored to stop the sale of British buses to Cuba. The argument was that if we, ourselves, authorize the sale of commodities to Soviet Russia and other Communist countries on a credit-guarantee basis, how could we object to one of our allies selling buses to Cuba? The fact of the matter is that Soviet Russia has been providing a tremendous amount of monetary aid to Cuba and there are still Soviet troops and Soviet advisers in Cuba.

It seems to me it is completely inconsistent for us to be guaranteeing Soviet Russia's credit when they are the biggest single factor in Cuba's ability to remain a Communist country and to provide training for subversive forces which are working against us all over South America. I believe the amendment of the gentleman from Illinois should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I merely asked for this time because I do not believe this debate would be complete without some reference to the national debt. I know there are a lot of Americans who realize the effect of the national debt upon the value of their currency and the effect on the value of the dollar of all of the other things that we have discussed here. There are a lot of Americans who feel that we are carrying more than our share of the load. They are aware that we have just raised our own debt limit. Roughly our national debt exceeds that of all the countries of the world by \$24 billion and our debt exceeds the combined debts of all the free countries of the world by \$105 billion. It is about time, I think, that some of our companion nations started carrying their end of the plank, their proportionate part of the burden.

When we get back in the House I shall ask permission to place in the RECORD the latest compilation that I have seen of the gross debt of central governments of the free world. The Library of Congress has attempted to put these debts into table form, in as accurate a fashion as is possible.

The matter referred to follows:

*Gross debt of central governments, free world countries*

[Millions of dollar equivalents]

Region and country	Total gross debt outstanding		
	Date	Amount	Percent of GNP
NEAR EAST			
Cyprus.....	Dec. 31, 1963	41.0	14.6
Greece.....	do.....	640.0	14.8
Iran.....	Mar. 20, 1963	624.0	13.7
Iraq.....	Sept. 30, 1963	272.0	18.8
Israel.....	Mar. 31, 1963	1,396.0	64.8
Jordan.....	Mar. 31, 1964	44.0	12.0
Lebanon.....	Dec. 31, 1962	30.0	4.3
Syrian Arab Republic.....	Dec. 31, 1957	42.0	5.3
Turkey.....	Feb. 28, 1963	1,737.0	28.4
United Arab Republic.....	June 30, 1963	2,240.0	66.5

*Gross debt of central governments, free world countries—Continued*

[Millions of dollar equivalents]

Region and country	Total gross debt outstanding		
	Date	Amount	Percent of GNP
SOUTH ASIA			
Afghanistan.....	Mar. 21, 1962	220.0	23.2
Ceylon.....	Sept. 30, 1963	721.0	48.1
India.....	Mar. 31, 1963	16,151.0	43.8
Nepal.....	July 15, 1963	3.0	.5
Pakistan.....	June 30, 1962	1,781.0	24.0
FAR EAST			
Burma.....	Sept. 30, 1963	494.0	34.9
Cambodia.....	Dec. 31, 1962	26.0	3.9
Hong Kong.....	Mar. 31, 1963	22.0	1.8
Indonesia.....	Dec. 31, 1961	1,746.0	21.7
Japan.....	Oct. 31, 1963	13,688.0	6.1
Korea (South).....	Dec. 31, 1963	301.0	10.6
Laos.....	June 30, 1963	23.0	15.9
Malaya.....	Dec. 31, 1962	577.0	30.4
Philippines.....	June 30, 1963	539.0	13.3
Singapore.....	Dec. 31, 1962	66.0	8.9
Thailand.....	Sept. 30, 1963	546.0	18.1
Vietnam.....	Dec. 31, 1963	363.0	23.4
AFRICA			
Cameroon.....	June 30, 1962	41.0	11.0
Ethiopia.....	July 7, 1962	84.0	9.4
Federation of Rhodesia and Nyasaland.....	June 30, 1962	788.0	51.5
Ghana.....	Sept. 30, 1963	358.0	22.9
Kenya.....	June 30, 1963	229.0	31.2
Liberia.....	Sept. 30, 1962	89.0	65.4
Mali.....	Dec. 31, 1961	47.0	19.2
Morocco.....	Dec. 31, 1963	690.0	32.5
Nigeria.....	Mar. 31, 1964	235.0	8.6
Somali Republic.....	Dec. 31, 1962	.8	1.0
South Africa.....	June 30, 1963	3,988.0	45.1
Sudan.....	June 30, 1963	89.0	7.4
Tanganyika.....	June 30, 1962	69.0	11.4
Tunisia.....	Dec. 31, 1962	310.0	41.3
EUROPE			
Belgium.....	Nov. 30, 1963	8,842.0	65.0
Denmark.....	Mar. 31, 1964	1,063.0	13.5
France.....	Aug. 31, 1963	18,001.0	22.9
Germany.....	Sept. 30, 1963	7,518.0	8.2
Iceland.....	Dec. 31, 1960	24.0	12.8
Italy.....	June 30, 1963	9,578.0	22.6
Luxembourg.....	Dec. 31, 1962	176.0	35.0
Netherlands.....	Dec. 31, 1963	5,413.0	38.4
Norway.....	do.....	1,745.0	32.0
Portugal.....	do.....	890.0	31.2
United Kingdom.....	Mar. 31, 1964	85,497.0	104.3
Austria.....	Dec. 31, 1963	918.0	12.0
Finland.....	Dec. 31, 1962	636.0	12.0
Ireland.....	Mar. 31, 1963	1,782.0	83.7
Spain.....	Dec. 31, 1963	2,024.0	14.1
Sweden.....	do.....	3,689.0	24.1
Switzerland.....	Dec. 31, 1962	1,274.0	11.8
Yugoslavia.....	do.....	1,088.0	19.2
LATIN AMERICA			
Argentina.....	Oct. 31, 1962	1,970.0	21.2
Bolivia.....	Dec. 31, 1962	259.0	54.4
Brazil.....	do.....	1,900.0	13.5
Chile.....	do.....	890.0	25.2
Colombia.....	do.....	652.0	15.2
Costa Rica.....	do.....	103.0	21.9
Ecuador.....	do.....	234.0	27.3
El Salvador.....	Dec. 31, 1963	108.0	18.5
Guatemala.....	June 30, 1963	88.0	12.3
Haiti.....	Sept. 30, 1962	71.0	23.3
Honduras.....	Dec. 31, 1962	51.0	12.1
Mexico.....	June 30, 1962	1,175.0	10.1
Nicaragua.....	do.....	22.0	6.1
Panama.....	Dec. 31, 1963	121.0	23.1
Paraguay.....	Dec. 31, 1962	29.0	12.2
Peru.....	do.....	326.0	13.0
Uruguay.....	do.....	318.0	22.2
Venezuela.....	Dec. 31, 1963	525.0	8.5
OCEANIA			
Australia.....	June 30, 1963	3,618.0	20.5
New Zealand.....	Mar. 31, 1963	2,707.0	67.4
NORTH AMERICA			
Canada.....	Mar. 31, 1964	25,872.0	65.3
United States.....	June 30, 1963	306,500.0	53.9
Total of countries listed.....		539,128.0	
Total (excluding the United States).....		232,628.0	

<sup>1</sup> Does not include obligations to social security institutions.

<sup>2</sup> Federal Government only.

<sup>3</sup> Includes estimates for protectorates.

<sup>4</sup> Includes debt of public entities.

GROSS DEBT OF CENTRAL GOVERNMENTS

General note

1. The debt figures in this table are on a gross basis, i.e., no deductions are made for reserves or Government securities held in sinking or reserve funds.

2. These debt figures of the Central Government exclude:

(a) Domestic debt of Government-owned enterprises not financed by the Government's tax sources, whether or not guaranteed by the Central Government.

(b) Other guaranteed debt, i.e., debt incurred by local units and other Government agencies which carry a guaranty by the Central Government to assure debt servicing in case of default by the borrowing unit.

(c) Dormant debt, i.e., debt which is not serviced.

3. Domestic debt and debt to the United States repayable in national currency has been converted into U.S. dollar equivalents by use of official exchange rates in most instances; where official exchange rates were not applicable, effective rates were used. These dollar equivalents do not reflect the substantial variations in the purchasing power of the dollar from country to country and exact comparisons of gross debt among countries are subject to limitations.

4. Debt repayable in foreign currencies is included on the basis of the original currency with nondollar debt converted at dollar cross rates.

5. Debt as a percentage of gross national product has been added as an indicator of the burden of the debt on the economy. The size of the debt service may be a better indicator of the debt burden. However, reliable data on debt service, i.e., the amount of interest and debt retirement, are not available.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Chairman, for the benefit of those who perhaps were not here when the gentleman from Illinois [Mr. FINDLEY] offered his amendment I think it should be made entirely clear that it goes only to prohibiting credit sales to Communist countries. It has nothing to do with cash sales.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman.

Mr. CURTIS. Mr. Chairman, I want to commend the gentleman for pointing this up and also say that when we started this, the balance of payments was running in the other direction, as far as the United States was concerned. But today it has turned around and so here we are with this debt of \$105 billion more than all the rest of the free world and we are having the balance of payments running against us.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Chairman, I yield to my distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I do not see why the Members on the other side of the aisle are getting alarmed about this question. Everyone knows that President Eisen-

hower made the determination in 1957 and the Export-Import Bank loaned Poland \$61 million with which to buy a tin mill and other machinery and equipment. I did not hear a single word in opposition to that from the other side when that happened in 1957. Also, in 1957, 1958, and 1959 we sold Poland \$185 million worth of surplus food under Public Law 480 for Polish zlotys.

Mr. Chairman, today we have \$523 million in Polish zlotys lying over there from Public Law 480 sales. I did not hear one single protest from the other side of the aisle during these negotiations with Poland during 1957, 1958, 1959, and 1960.

Mr. GALLAGHER. And, furthermore, I might add that the chamber of commerce has approved of this type transaction. It is normal business in commercial terms. The chamber of commerce has approved it and the American Farm Bureau has approved it. It is totally in keeping with our decision to try and trade rather than giving away money.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. RHODES].

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, I would like to announce at this time that at the proper time I shall offer a motion to recommit which will be the substance of the six amendments which were offered by the gentleman from Louisiana [Mr. PASSMAN] and were put en bloc earlier during the deliberations on this bill.

Briefly, Mr. Chairman, the motion to recommit would cut the amounts in the bill as follows: Development grants, from \$204.6 to \$175 million; international organizations, from \$134,272,400 to \$124,272,400; supporting assistance, from \$405 to \$354 million; the contingency fund, from \$150 to \$100 million; development loans for the Alliance for Progress program, from \$425 to \$400 million; and development loans, from \$382.2 to \$300 million, or a total of \$247.8 million, leaving the amount appropriated for title I at \$3,068,772,000. This is more money than was in the foreign aid bill at this stage of the appropriations process last year.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from California.

(Mr. LIPSCOMB asked and was given permission to revise and extend his remarks.)

Mr. LIPSCOMB. Mr. Chairman, a hue and cry often goes up that Congress is hamstringing foreign policy "flexibility" of the executive branch. This slogan is particularly popular lately in discussing East-West trade. Policymakers seek to imply that export control laws restricting trade with Communist countries are out of date and the administration "flexibility" in relations with the Soviet bloc is needed.

For example, Under Secretary of State W. Averill Harriman gave the Eastern European Affairs Subcommittee of the House Foreign Affairs Committee this sample on March 10, 1964:

The United States is maintaining the greatest possible flexibility of means for exerting our influence to promote developments favorable to the goal of independent self-government and an open society for the peoples of Eastern Europe. We think expanding trade in peaceful goods is a useful and desirable means of drawing these nations into practical contact with the free world.

As an example of the appalling way this is interpreted in practice, the Department of Commerce announced May 22, 1964 that a license had been granted authorizing the reexportation of U.S. wheat valued at \$12,589,400 from the Soviet Union to Rumania. This reexport decision, which I discussed with the House of Representatives previously on June 8 and 10, 1964, is illustrative of the inconsistency of purpose which marks the administration policy on the question of East-West trade.

Efforts to obtain answers to questions remaining about this deal only seem to bring more evidence underscoring the seriousness of the situation.

I inquired of the Department of Commerce as to how real was the U.S.S.R. need for wheat if they could now afford to transship this large amount—about 160,000 metric tons, or nearly one-tenth of the entire U.S. wheat sales to the U.S.S.R. Also, I inquired about whether the U.S.S.R. is making a profit on this transaction which involves subsidized U.S. wheat. You would think that the Commerce Department would possess complete, detailed information on these and other questions for reference in connection with determining whether the reexportation license should be granted.

In response to my request for answers, however, the Department of Commerce merely cited a Department of Agriculture publication which states that the Soviets encountered a crop failure, that they would need to import rather than export wheat, and that some of it "will be reexported to the satellites."

On the question as to whether the U.S.S.R. is making any profit, the Department states:

The Department has no information regarding any profit to accrue to the U.S.S.R. in connection with this transaction.

The Commerce Department also said in response to another of my questions that it had no information as to the actual transshipment of wheat by the U.S.S.R., concerning the method of transshipment or the route.

Furthermore, it seems that the Department of Commerce complied with almost miraculous speed in issuing the necessary reexport authorization when the Soviets requested the American exporter to obtain such permission from the Department of Commerce. While the export license was not granted until May 22, 1964, there are strong indications that an informal OK was actually given by the Commerce Department during the early days in May soon after such permission was sought by the Soviets.

Brazenly enough, the Soviets wanted to reexport the 160,000 metric tons of U.S. wheat to partially pay off a 1963 Rumanian wheat "loan" to them of 400,000 metric tons. The Rumanians had reportedly loaned the Russians wheat last year to tide the U.S.S.R. over a

worse than usual harvest year. Thus, not content with bailing the U.S.S.R. out of its agricultural morass, it appears that the administration has now helped Khrushchev make good on his wheat debt to Rumania.

This has helped to strengthen Soviet-Rumanian economic ties and runs counter to the administration's professed policy of encouraging less satellite reliance on the U.S.S.R. What makes the action all the more ironical, it came at the same time the Department of State was negotiating with the Rumanians, discussing expanding trade and diplomatic relations, on the basis that Rumania was following a course independent of the U.S.S.R. in matters of economic policy.

In those negotiations the United States reportedly has promised Rumania that it could buy complete plants from the United States to manufacture strategic goods. This means we would sell them such facilities as oil refineries, petro-chemical and synthetic rubber plants. Even the possibility of selling a nuclear reactor to Rumania has been discussed, according to reports. On June 15 the President declared that it is in the national interest for the Export-Import Bank to issue credit guarantees in connection with sales of such products to Rumania.

In essence, therefore, the same Rumanian "independence" the administration cites in claiming justification for granting Rumania highly significant trade benefits is being undermined by policies which tend to bolster Soviet-Rumanian ties.

Certainly here is a classic example of conflicting actions, what could be called talking out of both sides of one's mouth at the same time.

This sort of contradictory, drifting policy, which generally means that the only "winner" is the Communist bloc, is of great concern to me and I know it is to many Americans.

We need policies positively designed to protect our interests and a firm carrying out of those policies. History has shown countless times that there is no other way to deal with the Communists.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Illinois.

Mr. FINDLEY. The gentleman from New Jersey [Mr. GALLAGHER] indicated that the Farm Bureau Federation had placed its stamp of approval on the extension of credit to the Communist countries. I believe if the gentleman would check the record of the decision of the Farm Bureau Federation, he will find his information is erroneous.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia to close debate on the amendment.

Mr. GARY. Mr. Chairman, all I have to say about this amendment is that last Christmas it spoiled a vacation in Florida for me. I was on the conference committee that tried to work out this matter with the other body. Everyone will recall that we worked on the language for days and days. Finally we adjourned, I believe it was Christmas Eve about 4 o'clock in the morning, after about three

conferences that night with the other body.

Now, Mr. Chairman, we have in the bill the exact language that was agreed on at those conferences.

The gentleman from Illinois seeks to strike out of the bill the very paragraph that we put in which made it acceptable to both sides.

Mr. Chairman, I would suggest that this matter has been thoroughly thrashed out. Everyone knows what it is all about.

I simply ask that the gentleman's amendment be voted down.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time on the amendment has expired.

The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 93, noes 140.

Mr. FINDLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. GARY and Mr. FINDLEY.

The Committee again divided, and the tellers reported that there were—ayes 119, noes 151.

So the amendment was rejected.

Mr. O'BRIEN of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have just had three votes on the amendment offered by the gentleman from Illinois.

I want the RECORD to show, and I want every voter in my district to know, that I voted "no" on all three occasions.

I have listened to this debate for 2 days. I admire the proponents and the opponents. I think there is a proper area of debate in which the opponents may say that the proponents are unwise. They may say they are wasteful. They may say many sharp things. But there is a limit in debate, Mr. Chairman, and that limit is reached when any Member of this House no matter who he may be claims the right to decide whether a particular vote is patriotic or unpatriotic.

A few moments ago we were told that a "no" vote—and I again repeat, I voted "no" three times—was a vote to give aid and comfort to the Communists.

Mr. Chairman, in this country today there are too many people going around with little personal rubberstamps and applying the stamp of "patriotic" or "communistic" to people who happen to disagree with them. I say that no Member of this House has the right directly or indirectly to describe the vote of any other Member of this House as patriotic or unpatriotic—I resent it.

And if anyone desires to send in to my district, which is an old district that has been sending a Member here since the founding of the Republic, my vote and accompanying it with a charge that I voted to give aid and comfort to the Communists, I will meet him or anyone else on every street corner in my district and throw the lie back into his teeth.

AMENDMENT OFFERED BY MR. FOREMAN

Mr. FOREMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOREMAN: On page 18, immediately after line 24, insert the following:

"SEC. 404. LIMITATION ON APPROPRIATIONS FOR ECONOMIC ASSISTANCE.—Notwithstanding any provision of this or any other Act, no provision of this Act appropriating funds to carry out any program of assistance under this Act (other than a provision for military assistance as described in this Act and in the amount of \$1,055,000,000) shall become effective until the tax receipts of the United States Government for the preceding fiscal year are equal to or greater than the expenditures of the Government for such fiscal year."

Mr. GARY. Mr. Chairman, I make a point of order against the bill on the ground that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. FOREMAN. Mr. Chairman, I feel like any time we are appropriating the taxpayers' dollars, we certainly should take into consideration the question as to whether or not we are putting the people further in debt. This is a very important question. It is a legal question, a legislative question, and even more importantly, a moral question.

Mr. Chairman, my amendment goes to the question of spending or not spending of these funds, the limiting of making funds available.

It does not legislate as to how they are going to be spent, or not be spent, the bill itself does not even do that.

But as suggested earlier in our debate, perhaps this amendment is indeed too sensible and entirely too practical to be applied to our foreign aid giveaway program. Yes, Mr. Chairman, perhaps fiscal responsibility, at this point and in this day in time, may be out of order.

The CHAIRMAN (Mr. PRICE). The Chair is ready to rule.

On the face of it, this amendment appears to go far beyond the scope of the bill.

The subject of the amendment is not covered or referred to in the proposed legislation and, therefore, the Chair sustains the point of order.

Mr. BROOMFIELD. Mr. Chairman, not too long ago there was a musical show on Broadway entitled "Stop the World, I Want To Get Off."

All of us agree, I am sure, that there have been times and there have been occasions when many citizens of the United States, and most particularly Members of Congress, have wished that it were possible to pull a switch, stop the world and place the United States in its own orbit around the sun free and independent of the rest of the world and our sometimes troublesome neighbors.

So far, Congress has been unable to find any such switch to pull, and it does not seem likely that one will be found in the foreseeable future.

Consequently, the United States is going to have to forego existing in the sterile vacuum of space and continue to exist side-by-side with its neighbors.

Now all of us realize that not all these neighbors are perfect. Some of them are destructive of property. Others are boisterous and noisy. Some show a patent disdain for keeping their own

houses in order. A few are openly belligerent and make no bones about the fact that they wish we would find that switch in the sky and get off the earth so they can take it over.

The fact is that we are stuck with the world. It is the only one we have, and the quicker this is realized the better off all of us will be.

The fact is that we have to live with our neighbors in the world one way or another. For protection against those who would take what we have or who would threaten weaker neighbors, we have to build elaborate and costly fences.

For those who are yet too poor to provide their own protection and to provide the wherewithal for their own progress, we have to give a hand.

We are not attempting this task alone. We have friends of influence and power who are helping us and the world. Perhaps they could do more, and perhaps they will do more in the future.

But what should concern us today in our consideration of H.R. 11812 is whether we are doing what we can and what we must do to continue to be good citizens in the world, and whether we have sufficient protection from those who would harm us.

The bill we are considering today provides the necessary funds to supply these ingredients. Of the \$3,316,572,400 recommended by the House Appropriations Committee in his bill, some \$1,055 million is for military assistance to indirectly supplement our own defense budget and to provide those closest to belligerent neighbors with the means of defending themselves.

The great bulk of the remainder of these funds are for loans to assist our neighbors, and particularly our neighbors to the south, with the means to bring about better standards of living and build hope in the hearts of those who have no hope for tomorrow.

I urge the adoption of H.R. 11812 without further cuts as a minimum program our Nation should pursue in our efforts to preserve peace and freedom in the world.

Every indication we have is that things are going to get worse before they get better in such trouble spots as southeast Asia. If we are to cope with these future threats, if we are to use economic and political weapons as well as the force of arms to reach our objectives, then we must provide these funds and this appropriation.

Let us face it. We cannot stop the world. We cannot get off this planet earth without being blown off by atomic bombs.

Our only alternative is to live with what we find here in the world in freedom and to further the fight for freedom everywhere we can.

To ignore reality is suicide. To cringe from it is cowardice. To face it and to use it to further the great hope and promise of freedom is the only course a free nation can take.

Mr. WHARTON. Mr. Chairman, we have listened attentively for the past 2 days to the accomplishments alleged in behalf of foreign aid and heard that it has strengthened our own economy, maintained peace of a kind throughout

the world, and built up underprivileged nations. In view of the tremendous expenditure of American tax dollars and loss of many American lives, this would be a sorry spectacle indeed if it were not true to some degree, but to what degree? Conditions have changed considerably throughout the world since the inception of our foreign aid program and the new problems with which we are now confronted were unforeseeable at that time.

May I call attention to something from the recent columns of the Washington Post, generally recognized as an ultra-liberal local publication and an avid supporter of the program in the past, and I quote:

American aid has often corrupted and weakened the men it was supposed to build up.

The United States has poured millions into the jungle kingdoms of South Vietnam, Laos, and Thailand. This was supposed to make them bulwarks against the spreading Red tide, which threatens to engulf all Asia.

Youths were taken out of the rice paddies, put into American-made uniforms, and elevated to sudden affluence. With their U.S.-guaranteed paychecks, they were able to buy luxuries they had never known existed: wrist watches, transistor radios, fun in town.

Now there often seems to be more fun than fight in them. They dislike giving up their new living standards for the dangers and discomforts of jungle combat.

The taste of luxury has also corrupted many of their officers. They like to have orderlies serve them tea in bed in the mornings. They prefer to ride in jeeps on their patrol missions; they disdain the thought of slogg- ing through the jungle in pursuit of guerrillas.

A few have found they can increase their comforts merely by accumulating more of those wonderful dollars. By failing to report casualties and deserters, for example, officers discovered they could pocket the missing men's pay. Others sell U.S. supplies on the black market in the happy conviction that there's more where those came from.

The generals and politicians who have handled American aid have also had a dismaying habit of growing rich in their jobs. The new South Vietnamese leader, Gen. Nguyen Khanh, has found it necessary to shoot embezzlers.

Yet he has been remarkably fortunate in his own finances; indeed, he has boasted that he is worth \$10 million.

Certainly things of this nature add nothing to our economy, nor to the stature of the world. No one has come forward to refute these claims, much less that \$7 billion of unexpended funds from past appropriations are still in the pipeline. Since promises of management reform, which have been forthcoming annually, have again failed to materialize, and now appear impossible, then the only remaining solution is a curtailment of funds. Congress, in my opinion, must depart from the unsavory practice of appropriating large sums in this manner to be spent promiscuously and without restraint—all of which accounts for my opposition to the bill.

Mr. JOELSON. Mr. Chairman, in the report on H.R. 11812, Foreign Assistance and Related Agencies Appropriations Act of 1965, the Committee on Appropriations stated:

The purpose of the Foreign Assistance Program is to promote the security of the United States by providing assistance and encouragement to other nations of the world

so that they can grow in political freedom, national independence, and economic security. As these objectives are realized likelihood of such nations coming under the influence of our enemies is lessened and their ability to assist us in shouldering the burden of the free world is increased. As they grow in economic strength, the international trade essential to the prosperity of the United States will increase.

From the point of view of U.S. security, Latin America, because of its very proximity, is one of the more important world areas. For this reason, I would like to augment the committee report with a brief discussion of the urban dilemma in Latin America and how the effective flow of U.S. assistance helps the Latin Americans to establish open, participant societies with sufficient economic security to exist as independent, modern states.

An open society is characterized by social mobility—movement between classes and occupational groups. The participant society is one in which the people are politically conscious; have an active respect for civil institutions as the ultimate arbitrators of all disputes. But unless representative, responsible political institutions can produce the results—provide relief for the overwhelming economic problems and the frustrating social injustices which burden the Latin Americans, especially the urban lower class—these people may reject an open, participant society for a totalitarian government.

The U.S. foreign assistance program, working with the Alliance for Progress, is designed to eliminate those factors which obstruct economic and social progress in Latin America. The purpose of the Alliance for Progress is not to give temporary relief in time of crisis but to set into motion a fundamental change in the whole structure of Latin America's economic and social institutions. The goal is to create a favorable climate for progress and the political stability of Latin America.

The rapid urbanization and the impatience of the urban masses poses one of the great threats to stability in many Latin American nations. That the population growth of Latin America is one of the highest in the world, 2.8 percent annually, is an accepted fact. Not to be overlooked is the fact that the growth rate in urban areas is three times that in rural districts. Latin America has a higher rate of urbanization than any other underdeveloped area of the world with almost 46 percent of the people living in cities. About 25 percent of the population is concentrated in 10 cities, each having a population of well over a million, and migration from rural districts continues at an ever-increasing pace.

The subsistence agriculture of most rural districts cannot provide food for the city dweller nor is there sufficient housing. Water supplies are limited, electricity rationed, and sanitation systems inadequate. The high level of unemployment could be reduced by the growth of industry, but companies are not easily attracted to these areas where skilled laborers are scarce and the utilities necessary for industrial production are minimal. The discontent of the unemployed and of all who have substand-

ard living conditions is characterized by an impatient desire for the better life which they know other men enjoy. Such discontent can be harnessed by radicals of either the right or the left. Faith in gradualism can only be maintained when there is evidence of progress.

The construction of more than 200,000 houses in the fiscal year 1964 and the scheduled completion of another 100,000 houses in 1965, which can be attributed directly to U.S. assistance, has helped to alleviate some of the explosive conditions in urban Latin America. U.S. aid has also trained over 22,000 teachers, built 23,000 classrooms, and produced 6,700,000 books to prepare both children and adults for the responsibilities of a modern, industrial society. More than 24 million people have benefited from the newly constructed water and sewage systems, and 900 credit unions have encouraged the efforts of private entrepreneurs.

The multiplier effects of these physical achievements cannot be overestimated. They have changed the physical appearance of the cities, have altered the economic, social, and psychological condition of many individuals, and have encouraged both local and foreign investment in industry. The construction projects supplied jobs as well as the needed housing. They stimulated industry by increasing the consumption potential and subsequently raised the standard of living for over a million people directly and innumerable others indirectly.

Although U.S. assistance is a necessary component in these projects, it is matched by effective efforts on the part of the nations themselves. For example, in Peru, People's Savings & Loan Association, established March 1961, is capable of extending credit up to three times its savings as a result of a grant from the Home Loan Bank of Peru, which in turn has received a loan of \$7,500,000 from the Alliance for Progress. Within a year the association's membership grew from 25 to 2,590, and it granted first mortgage and improvement loans of about \$60 million while lowering the prevailing Peruvian interest rate from 12 to 10.8 percent simple interest and also paying 6-percent dividend. Projects such as this have the same multiplier effects as direct U.S. assistance, but also encourage the Latin Americans to establish the machinery for progress.

Mr. SELDEN. Mr. Chairman, few men in public life are as knowledgeable in the field of foreign aid legislation as our colleague, the gentleman from Louisiana, Representative OTTO PASSMAN. Even those who most oppose his position on foreign aid must admit Congressman PASSMAN's mastery of the facts, figures, and details in that complex area of Government affairs.

Thus, despite the vociferous and often unfair opposition of the doctrinaire liberal press, OTTO PASSMAN over the years has been proven correct in his judgment of our foreign aid obligations and needs. Time and experience have vindicated his position on the many foreign aid bills that have come before his subcommittee. Here again, even the most vocal proponent of foreign aid must concede that in instance after instance and year after year, OTTO PASSMAN has

succeeded in trimming unnecessary and wasteful items and expenditures from annual foreign aid budgets submitted to the Congress.

As chairman of the Subcommittee on Inter-American Affairs, I have always understood the vital need to support those foreign aid programs which strengthen the free world's position in the cold war against communism in areas such as Latin America, southeast Asia, and Western Europe. At the same time, I have consistently stood with those who believe that foreign aid should not and does not mean foreign waste. In this regard, Congressman PASSMAN has been a watchdog for the American taxpayer's interests and for the national interest generally. Thus, while the administration this year made an effort to trim its foreign aid request to a minimum, I, for one, could not lightly disregard the opinion of Congressman PASSMAN and others of his subcommittee, who believed that further cuts were possible without endangering the Nation's overseas commitments.

The people of this country, while recognizing the necessity for maintaining our defenses against communism throughout the world, are tired of carrying the burden of foreign aid expenditures that they consider wasteful. It is therefore my hope that Congress will continue for many years to have the sound advice of men like OTTO PASSMAN when we consider the provisions of any foreign aid program.

Mr. MATSUNAGA. Mr. Chairman, for the past 2 days I have listened with great interest to the debate that has been going on on the foreign aid appropriations bill now under consideration. While it may appear presumptuous on my part as a freshman Member to gain the ear of the House after all that needs to be said appears to have been spoken, I wish to call the attention of the House to an aspect of foreign aid which has probably not gained the attention it deserves.

The opponents of foreign aid generally have argued that this is a give-away program, that we have been in effect "suckers" to the world. Has it not occurred to the gentlemen who oppose the measure that we Americans have been as much benefited by our foreign aid program as have been the intended beneficiaries? An estimated 75,000 American workers would be put out of their jobs were we to cut out foreign aid altogether. To cite a specific example, had it not been for an 11th-hour order for steel rails placed by AID, a steel mill in Birmingham, Ala., would have been forced to close last November, adding 1,150 breadwinners to the unemployed list. Eighty percent or more of all money expended in the foreign aid program is spent right here in our own United States. This is indeed not a cash give-away program.

Experience has shown too that by shipping American equipment and goods abroad under our aid program, we create a demand for American parts for such equipment and for more American-made goods after the aided country has gotten on its feet economically and is able to pay for them.

Japan is a good example of this. (Although at one time a recipient of assist-

ance from us, today she is one of our best customers for American goods and products. The entire European continent might be cited as another example. Had it not been for our assistance, they would not today be enjoying an economic status which permits them to buy American goods. By helping the underdeveloped nations of the world and elevating the standard of living of their peoples, we are insuring our own economic future by creating vast new markets for our own products.

Furthermore, the opponents of the measure now under consideration argue that we have spent billions upon billions of dollars in the last 18 years and have gained nothing by such expenditures. As it was so ably and eloquently pointed out by the distinguished chairman of the Appropriations Committee, the gentleman from Texas [Mr. MAHON], it was through our foreign aid program that all of Western Europe was saved. It was through our foreign aid program that we stopped Russia from obtaining the warm-water ports in Greece and Turkey and halted Russia from turning the strategic Mediterranean Sea into a red lake. Africa and southern Europe would certainly have fallen under the domination of the Communists had the foreign aid program not been extended into those areas.

It cannot be denied that our foreign aid program prevented World War III—a war which would have cost billions more in money than what foreign aid has cost us in total in the last 18 years and millions in irreplaceable lives.

Can it be denied that had it not been for our foreign aid program we would not today be enjoying the position of world leadership that we have been able to maintain? I am convinced, Mr. Chairman, that this program is a necessary tool which we as responsible representatives of the American people must give to our President so that he may pursue the course towards world peace with the power of persuasion and flexibility.

The opponents of this bill claim to have greater detailed knowledge of the program than the proponents. After listening to the debate, I can see the opponents in the role of a master mechanic who knows every detail about the construction and mechanical features of an automobile but who refuses to supply the missing carburetor or furnish the gasoline for the doctor who is intent on using the automobile to rush to save a sick brother of the mechanic. Let us not, under the claim that we know all about the car while the doctor does not, deny him the carburetor or the gasoline and keep him from going places where he is truly needed. Let us, for our own sake, as well as for the sake of our world brothers in need, support the President's foreign aid program.

Mr. BOLAND. Mr. Chairman, I rise in favor of the foreign aid bill. I urge that the Appropriations Committee recommendation of \$3,739,249,400 be approved by the House, and that no further cuts be made in this most important program which provides a vital tool to the President of the United States in the execution of foreign policy. This bill

is \$219,127,600 below the budget estimates.

The purpose of the foreign assistance program is to promote the security of the United States by providing assistance and encouragement to other nations of the world so that they can grow in political freedom, national independence, and economic security. As these objectives are realized, the Appropriations Committee report points out, the likelihood of such nations coming under the influence of our enemies is lessened and their ability to assist us in shouldering the burdens of the free world is increased. As they grow in economic strength, international trade, essential to the prosperity of the United States, will increase.

Mr. Chairman, our hope is that this program will enable the underdeveloped countries of the world to substitute strength and confidence for fear and insecurity and take their places with the world alliance of free nations. Many of the free nations of the world today could not have maintained their freedom if the United States had not provided aid when they were beset by internal problems and external pressures.

The Appropriations Committee recognizes that programs, consisting of thousands of individual projects scattered throughout many parts of the globe, are not consistently perfect in every respect. I agree with the sentiments expressed yesterday by the gentleman from Virginia [Mr. GARY] that there has been waste, inefficiency, and mistakes made in this program, but members of the committee have striven to eliminate the mistakes of the past. It is apparent that projects initially well planned can, by virtue of international political developments or other factors, later appear to have been ill advised. It is obvious that there have been some errors of judgment and some plain mismanagement and waste. While the committee cannot and does not condone ineptness and inefficiency, it realizes that some blunders are inevitable in a program of this magnitude.

Mr. Chairman, the President requested \$1,008,625,000 less for the foreign assistance program for fiscal year 1965 than was requested for the previous fiscal year, 1964. The committee further reduced the budget estimates by \$219,127,600. I do not think that any further cuts should be made by the House today. In view of the conditions existing throughout the world the President should have adequate funds available to honor our commitments abroad and to provide for eventualities of the coming year.

Mr. CHAMBERLAIN. Mr. Chairman, I rise to record my opposition to the foreign aid appropriation for fiscal 1965. Last Christmas Eve, it will be recalled, when we were considering last year's bill we were promised by the administration a streamlined aid program in the future. At that time I registered my protest against this unstreamlined program in the hope it would encourage the promised reforms. But here we are today asked to pass a new aid bill not only continuing to disburse funds to some 99 countries and 9 territories throughout the world, but in addition calling for a

\$694 million increase in new obligational authority.

I do not deny that there are some desirable aspects of the aid program. Furthermore, I wish to make it absolutely clear that I would support, as a separate item, all the funds requested and recommended to prosecute the efforts against Communist activities in South Vietnam as I believe the fate of southeast Asia is vital to the free world.

However, the aid program as a whole, I remain convinced, is in basic need of rethinking and reorientation. Its purpose remains unclear and often contradictory. The aid program as in the past continues to be justified as being a necessary weapon against the spread of communism. And yet under it we continue to aid Communist countries and we continue to aid those who trade with Communist Cuba. Furthermore, under the administration's new Communist trade policy we, with one hand, presumably seek to aid those countries trying to bolster themselves against Communist subversion while with the other hand we trade and aid Communist countries through the sale of U.S. taxpayer-subsidized agricultural products. Until such time, therefore, that an administration presents a consistent foreign assistance policy I believe I must out of concern for the national interest continue to protest the aid and trade policies currently being pursued.

Mr. WINSTEAD. Mr. Chairman, I want to take this opportunity to register my unqualified opposition to the foreign aid appropriation bill for fiscal 1965. My record against the passage of foreign aid appropriation bills has been consistent for many years. I have long been sick, tired, and disgusted with the way this country has been shoveling the taxpayers' money into the coffers of countries around the globe—many of which are downright hostile to the United States, are ruled by dictators or are Communist or Communist dominated.

The list of foreign countries and territories feeding at the U.S. taxpayers' trough during fiscal 1965 will reach the fantastic total of 99 countries and 9 territories—countries and territories which I doubt could be identified by even 1 out of ever 100,000 American citizens.

Our foreign aid hand-out program, in my opinion, has been a dismal failure for many, many years. It has been poorly planned, poorly directed, and poorly administered and has failed to attain its announced objectives. Its expansion has become so broad that it has completely gotten out of hand.

Under certain conditions, I might favor some form of assistance to countries which have demonstrated friendliness to the United States, but I would have to be convinced that to do so would be in the best interest of the United States. Some of the countries which would be aided by the enactment of this bill might well fall into the category of those deserving assistance. However, as long as deserving countries are included in the same bill with those known to be undeserving, I cannot in good conscience support such legislation.

Mr. FLYNT. Mr. Chairman, the gentleman from Iowa asked where I am

today. It was surely a rhetorical question, because he knows where I am and he heard what I said.

The reason for my vote against the amendments offered by the gentleman from Louisiana and my vote in favor of final passage is a bona fide effort on my part to keep this country out of war and to make an effort to save southeast Asia for the people of the free world.

If my vote and my position today can help prevent a war and to maintain stability in the world, then I believe with all sincerity that it is worth many, many times the monetary amount which the gentleman from Louisiana would delete by his amendments. The monetary difference between the two versions is \$247,800,000. One day of nuclear war would cost much more than that.

I have no occult powers nor crystal ball; only time will prove the wisdom of the judgment I have made today.

My reply to the gentleman from Iowa is not to be construed by him or anyone else as any disrespect to him. While we sometimes disagree, I like to think that we do so without being disagreeable. I have a high regard and great respect for the gentleman from Iowa, as he well knows. And, that regard and respect are not diminished.

Mr. GARY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11812) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

#### MOTION TO RECOMMIT

Mr. RHODES of Arizona. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. RHODES of Arizona. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RHODES of Arizona moves to recommit the bill, H.R. 11812, to the Committee on Appropriations with instructions to report it back forthwith with the following amendments:

On page 2, line 9, strike out "\$204,600,000" and insert "\$175,000,000".

On page 2, line 15, strike out "\$134,272,400" and insert "\$124,272,000".

On page 2, line 17, strike out "\$405,000,000" and insert "\$354,000,000".

On page 2, line 19, strike out "\$150,000,000" and insert "\$100,000,000".

On page 2, line 23, strike out "\$425,000,000" and insert "\$400,000,000".

On page 2, line 26, strike out "\$782,200,000" and insert "\$700,000,000".

Mr. GARY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. RHODES of Arizona. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 198, nays 208, not voting 25, as follows:

[Roll No. 176]

#### YEAS—198

Abbott	Ford	Moore
Abele	Foreman	Morton
Abernethy	Fountain	Mosher
Adair	Fulton, Pa.	Nelsen
Alger	Fuqua	Ostertag
Anderson	Gathings	Passman
Andrews, Ala.	Glenn	Pelly
Andrews, N. Dak.	Goodell	Pillion
Arends	Goodling	Pirnie
Ashbrook	Grant	Poff
Ashmore	Griffin	Pool
Auchincloss	Gross	Quillen
Ayres	Grover	Randall
Baker	Gubser	Reld, Ill.
Baring	Gurney	Reifel
Bates	Hagan, Ga.	Rhodes, Ariz.
Battin	Haley	Rich
Becker	Hall	Riehlman
Beermann	Halleck	Rivers, S.C.
Belcher	Harrison	Rogers, Fla.
Bell	Harsha	Roudebush
Bennett, Fla.	Harvey, Ind.	Roush
Berry	Harvey, Mich.	Rumsfeld
Betts	Henderson	St. George
Bolton,	Herlong	Saylor
Oliver P.	Hoeven	Schadeberg
Bonner	Horan	Schenck
Bow	Hosmer	Schneebeli
Bray	Huddleston	Schweiker
Brock	Hull	Scott
Bromwell	Hutchinson	Secrest
Brotzman	Ichord	Selden
Brown, Ohio	Jarman	Shipley
Broyhill, N.C.	Jennings	Short
Broyhill, Va.	Jensen	Shriver
Burleson	Johansen	Siler
Burton, Utah	Johnson, Pa.	Skubitz
Byrnes, Wis.	Jonas	Smith, Calif.
Casey	Jones, Mo.	Smith, Va.
Cederberg	Keith	Snyder
Chamberlain	Kilgore	Springer
Chenoweth	King, N.Y.	Stafford
Clancy	Knox	Stinson
Clausen,	Kornegay	Taft
Don H.	Kunkel	Talcott
Clawson, Del	Kyl	Taylor
Cleveland	Laird	Teague, Calif.
Collier	Langen	Thompson, La.
Colmer	Latta	Thomson, Wis.
Corbett	Lennon	Tuck
Cramer	Lipscomb	Utt
Cunningham	Long, La.	Van Pelt
Curtin	McClary	Waggoner
Curtis	McCulloch	Watson
Dague	McDade	Weaver
Derounian	McIntire	Westland
Derwinski	McLoskey	Whalley
Devine	McMillan	Wharton
Dole	MacGregor	Whitener
Dorn	Marsh	Whitten
Dowdy	Martin, Calif.	Williams
Downing	Martin, Nebr.	Willis
Ellsworth	May	Wilson, Ind.
Findley	Meador	Winstead
Fino	Michel	Wyder
Fisher	Milliken	Wyman
	Minshall	Younger

#### NAYS—208

Addabbo	Brooks	Cohelan
Albert	Broomfield	Conte
Ashley	Brown, Calif.	Cooley
Aspinall	Buckley	Corman
Baldwin	Burke	Daddario
Barrett	Burkhalter	Daniels
Barry	Burton, Calif.	Davis, Tenn.
Beckworth	Byrne, Pa.	Dawson
Blatnik	Cahill	Delaney
Boggs	Cameron	Dent
Boland	Carey	Denton
Bolling	Celler	Diggs
Brademas	Chelf	Dingell

Donohue  
Dulski  
Duncan  
Dwyer  
Edmondson  
Edwards  
Elliott  
Everett  
Fallon  
Farbstein  
Fascell  
Feighan  
Finnegan  
Flood  
Flynt  
Fogarty  
Fraser  
Frelinghuysen  
Friedel  
Fulton, Tenn.  
Gallagher  
Garmatz  
Gary  
Glaimo  
Gibbons  
Gilbert  
Gill  
Gonzalez  
Grabowski  
Gray  
Green, Oreg.  
Green, Pa.  
Griffiths  
Hagen, Calif.  
Halpern  
Hansen  
Harding  
Hardy  
Harris  
Hawkins  
Hays  
Healey  
Hechler  
Holifield  
Holland  
Horton  
Joelson  
Johnson, Calif.  
Johnson, Wis.  
Jones, Ala.  
Karsten  
Karth  
Kastenmeier  
Kee  
Kelly  
Keogh  
King, Calif.

Kirwan  
Kluczynski  
Landrum  
Leggett  
Libonati  
Lindsay  
Long, Md.  
McDowell  
McFall  
Macdonald  
Madden  
Mahon  
Mailliard  
Martin, Mass.  
Mathias  
Matsunaga  
Matthews  
Miller, Calif.  
Mills  
Minish  
Monagan  
Montoya  
Moorhead  
Morgan  
Morris  
Morrison  
Morse  
Moss  
Multer  
Murphy, Ill.  
Murphy, N.Y.  
Murray  
Natcher  
Nedzi  
Nix  
O'Brien, N.Y.  
O'Hara, Ill.  
O'Hara, Mich.  
Olsen, Mont.  
Olson, Minn.  
O'Neill  
Osmers  
Patman  
Patten  
Pepper  
Perkins  
Philbin  
Pickle  
Pike  
Poage  
Price  
Pucinski  
Purcell  
Quile  
Rains  
Reid, N.Y.  
Reuss

Rhodes, Pa.  
Rivers, Alaska  
Roberts, Ala.  
Roberts, Tex.  
Robison  
Rodino  
Rogers, Colo.  
Rooney, N.Y.  
Rooney, Pa.  
Roosevelt  
Rosenthal  
Rostenkowski  
Roybal  
Ryan, Mich.  
Ryan, N.Y.  
St. Onge  
Schwengel  
Senner  
Sheppard  
Sikes  
Sisk  
Slack  
Smith, Iowa  
Staebler  
Staggers  
Steed  
Stephens  
Stratton  
Stubblefield  
Sullivan  
Teague, Tex.  
Thomas  
Thompson, N.J.  
Thompson, Tex.  
Toll  
Trimble  
Tupper  
Tuten  
Udall  
Ullman  
Van Deerlin  
Vanik  
Vinson  
Wallhauser  
Watts  
Weltner  
White  
Wickersham  
Widnall  
Wilson,  
Charles H.  
Wright  
Young  
Zablocki

## NOT VOTING—25

Avery  
Bass  
Bennett, Mich.  
Bolton,  
Frances P.  
Bruce  
Clark  
Davis, Ga.  
Evins

Forrester  
Hanna  
Hébert  
Hoffman  
Kilburn  
Lankford  
Lesinski  
Lloyd  
Miller, N.Y.

Norblad  
O'Konski  
Pilcher  
Powell  
Rogers, Tex.  
St Germain  
Tollefson  
Wilson, Bob

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Clark against.  
Mr. Rogers of Texas for, with Mr. Evins against.  
Mrs. Frances P. Bolton for, with Mr. Powell against.  
Mr. Norblad for, with Mr. Bass against.  
Mr. Bennett of Michigan for, with Mr. Hanna against.  
Mr. Bob Wilson for, with Mr. St Germain against.  
Mr. Kilburn for, with Mr. Davis of Georgia against.  
Mr. Miller of New York for, with Mr. Lankford against.

Until further notice:

Mr. Pilcher with Mr. Hoffman.  
Mr. Forrester with Mr. Bruce.  
Mr. Lesinski with Mr. Tollefson.

Mr. WILLIS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. GARY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 231, nays 174, not voting 26, as follows:

[Roll No. 177]

## YEAS—231

Addabbo  
Albert  
Arends  
Ashley  
Aspinall  
Auchincloss  
Ayres  
Baldwin  
Barrett  
Barry  
Bates  
Beckworth  
Bell  
Boggs  
Boland  
Bolling  
Brademas  
Brooks  
Broomfield  
Brown, Calif.  
Buckley  
Burke  
Burkhalter  
Burton, Calif.  
Byrne, Pa.  
Cahill  
Cameron  
Carey  
Celler  
Cleveland  
Cohelan  
Conte  
Cooley  
Corbett  
Corman  
Curtin  
Daddario  
Daniels  
Davis, Tenn.  
Dawson  
Delaney  
Dent  
Denton  
Diggs  
Dingell  
Donohue  
Downing  
Dulski  
Duncan  
Dwyer  
Edmondson  
Edwards  
Elliott  
Everett  
Fallon  
Farbstein  
Fascell  
Feighan  
Finnegan  
Fino  
Flood  
Flynt  
Fogarty  
Ford  
Fraser  
Frelinghuysen  
Friedel  
Fulton, Pa.  
Fulton, Tenn.  
Gallagher  
Garmatz  
Gary  
Glaimo  
Gibbons  
Gilbert  
Gill  
Gonzalez  
Grabowski

Gray  
Green, Oreg.  
Green, Pa.  
Griffin  
Griffiths  
Grover  
Gubser  
Hagen, Calif.  
Halleck  
Halpern  
Hansen  
Harding  
Hardy  
Hawkins  
Hays  
Healey  
Hechler  
Holifield  
Holland  
Horton  
Hosmer  
Joelson  
Johnson, Calif.  
Johnson, Wis.  
Jones, Ala.  
Karsten  
Karth  
Kastenmeier  
Kee  
Keith  
Kelly  
Keogh  
King, Calif.  
Kirwan  
Kluczynski  
Kunkel  
Landrum  
Leggett  
Libonati  
Lindsay  
Long, Md.  
McDade  
McDowell  
McFall  
Macdonald  
MacGregor  
Madden  
Mahon  
Mailliard  
Martin, Mass.  
Mathias  
Matsunaga  
Matthews  
Meader  
Miller, Calif.  
Minish  
Monagan  
Montoya  
Moorhead  
Morgan  
Morrison  
Morse  
Moss  
Multer  
Murphy, Ill.  
Murphy, N.Y.  
Natcher  
Nedzi  
Nelsen  
Nix  
O'Brien, N.Y.  
O'Hara, Ill.  
O'Hara, Mich.  
Olsen, Mont.  
Olson, Minn.  
O'Neill  
Osmers  
Ostertag

Patman  
Patten  
Pelly  
Pepper  
Perkins  
Philbin  
Pickle  
Pike  
Pirnie  
Price  
Pucinski  
Purcell  
Quile  
Rains  
Reid, N.Y.  
Reuss  
Rhodes, Pa.  
Richman  
Rivers, Alaska  
Roberts, Ala.  
Robison  
Rodino  
Rogers, Colo.  
Rooney, N.Y.  
Rooney, Pa.  
Roosevelt  
Rosenthal  
Rostenkowski  
Roybal  
Ryan, Mich.  
Ryan, N.Y.  
St. Onge  
Schweiker  
Schwengel  
Selden  
Senner  
Sheppard  
Sibal  
Sickles  
Sisk  
Slack  
Smith, Iowa  
Springer  
Staebler  
Stafford  
Staggers  
Steed  
Stephens  
Stratton  
Stubblefield  
Sullivan  
Teague, Calif.  
Thomas  
Thompson, N.J.  
Thompson, Tex.  
Toll  
Trimble  
Tupper  
Udall  
Ullman  
Van Deerlin  
Vanik  
Vinson  
Wallhauser  
Watts  
Weltner  
Whalley  
White  
Wickersham  
Widnall  
Wilson,  
Charles H.  
Wright  
Wylder  
Young  
Zablocki

## NAYS—174

Abbitt  
Abele  
Abernethy  
Adair  
Alger  
Anderson  
Andrews, Ala.  
Andrews,  
N. Dak.  
Ashbrook  
Ashmore  
Baker  
Baring

Battin  
Becker  
Beermann  
Belcher  
Bennett, Fla.  
Berry  
Betts  
Bolton,  
Oliver P.  
Bonner  
Bow  
Bray  
Brock

Bromwell  
Brotzman  
Brown, Ohio  
Broyhill, N.C.  
Broyhill, Va.  
Burleson  
Burton, Utah  
Byrnes, Wis.  
Casey  
Cederberg  
Chamberlain  
Chelf  
Chenoweth

Clancy  
Clausen,  
Don H.  
Clawson, Del  
Collier  
Colmer  
Cramer  
Cunningham  
Curtis  
Dague  
Derounian  
Derwinski  
Devine  
Dole  
Dorn  
Dowdy  
Ellsworth  
Findley  
Fisher  
Foreman  
Forrester  
Fountain  
Fuqua  
Gathings  
Glenn  
Goodell  
Goodling  
Grant  
Gross  
Gurney  
Hagan, Ga.  
Haley  
Hall  
Harris  
Harrison  
Harsha  
Harvey, Ind.  
Harvey, Mich.  
Henderson  
Herlong  
Hoeven  
Horan  
Huddleston  
Hull  
Hutchinson  
Ichord

Jarman  
Jennings  
Jensen  
Johansen  
Johnson, Pa.  
Jonas  
Jones, Mo.  
Kilgore  
King, N.Y.  
Knox  
Kornegay  
Kyl  
Laird  
Langen  
Latta  
Lennon  
Lipscomb  
Long, La.  
McClory  
McCulloch  
McIntire  
McLoskey  
McMillan  
Marsh  
Martin, Calif.  
Martin, Nebr.  
May  
Michel  
Milliken  
Mills  
Minshall  
Moore  
Morris  
Morton  
Mosher  
Murray  
Passman  
Pillion  
Poage  
Poff  
Pool  
Quillen  
Randall  
Reid, Ill.  
Reifel  
Rhodes, Ariz.

Rich  
Rivers, S.C.  
Roberts, Tex.  
Rogers, Fla.  
Roudebush  
Roush  
Rumsfeld  
St. George  
Saylor  
Schadeberg  
Schenck  
Schneebeli  
Scott  
Secrest  
Shipley  
Short  
Shriver  
Sikes  
Siler  
Skubitz  
Smith, Calif.  
Smith, Va.  
Snyder  
Stinson  
Taft  
Talcott  
Taylor  
Teague, Tex.  
Thompson, La.  
Thomson, Wis.  
Tuck  
Utt  
Van Pelt  
Waggonner  
Watson  
Weaver  
Westland  
Wharton  
Whitener  
Whitten  
Williams  
Willis  
Wilson, Ind.  
Winstead  
Wyman  
Younger

## NOT VOTING—26

Avery  
Bass  
Bennett, Mich.  
Blatnik  
Bolton,  
Frances P.  
Bruce  
Clark  
Davis, Ga.

Evins  
Hanna  
Hébert  
Hoffman  
Kilburn  
Lankford  
Lesinski  
Lloyd  
Miller, N.Y.

Norblad  
O'Konski  
Pilcher  
Powell  
Rogers, Tex.  
St Germain  
Tollefson  
Tuten  
Wilson, Bob

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Hoffman against.  
Mrs. Frances P. Bolton for, with Mr. Kilburn against.  
Mr. Bob Wilson for, with Mr. Norblad against.  
Mr. Evins for, with Mr. Bruce against.  
Mr. Miller of New York for, with Mr. Bennett of Michigan against.  
Mr. Clark for, with Mr. Rogers of Texas against.  
Mr. St Germain for, with Mr. O'Konski against.

Until further notice:

Mr. Davis of Georgia with Mr. Tollefson.  
Mr. Bass with Mr. Avery.  
Mr. Hanna with Mr. Powell.  
Mr. Blatnik with Mr. Lankford.  
Mr. Lesinski with Mr. Pilcher.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. O'KONSKI. Mr. Speaker, due to a long, outstanding speaking engagement, I regret that I cannot be present today to vote on the foreign aid bill.

If I had been here I would have voted "aye" on the motion to recommit to reduce the appropriation.

Also if I had been present I would vote "no" on the final passage as I believe that our foreign aid program is responsible for most of the ills in the world,

and certainly most responsible for the economic ills at home.

#### GENERAL LEAVE TO EXTEND

Mr. GARY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks and to include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

#### APPROPRIATION BILLS PASSED BY THE HOUSE TO DATE

(Mr. MAHON (at the request of Mr. GARY) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter and tables with reference to appropriation bills as passed by the House to date.)

Mr. MAHON. Mr. Speaker, with the passage of the appropriation bill for foreign assistance, the House has processed the main appropriation business of the session. All the regular annual supply bills have cleared through the House. So it is timely to include for the information of Members and others who may be interested, a summarized tabulation, in the usual form, of the appropriation bills of the session thus far. Deficiency bills for the fiscal year 1964, ended yesterday, are segregated from the regular bills for the new fiscal year 1965.

The House has moved the appropriation bills with dispatch. Not in 4 years have all the bills been cleared to the other body as early as the first of the new fiscal year.

#### OVERALL SUMMARY

In all the bills of the session, the House has considered budget requests for appropriations aggregating \$96,306,679,844, against which, in the bills as passed, \$87,431,365,329 has been approved, an apparent—and striking—reduction of \$8,875,314,515. But I hasten to add that this is a gross distortion; you will recall that the entire \$5,200,000,000 reported for the National Space Agency for 1965 was stricken on a point of order from the floor. Assuming the House had approved that amount or something approximating it—and I take it we can all agree on the reasonableness of that premise—the House totals, in perspective, would show appropriations for the session to date of \$92,631,365,329, an aggregate reduction from the budget requests—in the 1964 deficiency and supplemental bills and the 1965 bills—of \$3,675,314,515—not an inconsiderable total reduction. The House approved some reduction below the budget in every regular bill for 1965 and on the general deficiency bill for 1964.

Mr. Speaker, there is a significance about these totals in another respect. On a fiscal year basis—that is, comparing the amounts in the House bills for fiscal year 1965 with the appropriations to date for fiscal year 1964, including those in deficiency bills of this session—on that basis, the House has approved total appropriations which are some-

what lower than the fiscal year 1964 total; a preliminary comparison shows approximately \$1,209,000,000 less.

Not every single dollar of reduction in appropriations requested would necessarily retrench an equivalent expenditure. There are, as in virtually every session, a handful of reductions more in the nature of financing adjustments, or made because the item lacked the necessary legislative authorization, or perhaps because of a difference in view as to the precise amount otherwise required to meet a given commitment. Nonetheless, in a time of an exploding population requiring more public services and generating a higher level of economic activity, a reduction below the previous year's appropriations is noteworthy.

The other body is now moving with dispatch. In addition to the 1964 deficiencies, it has cleared 2 of the 12 bills for 1965 and one of those—Interior—has also cleared conference. The other one—Treasury-Post Office—is in conference. The Committee on Appropriations of the other body is hard at work readying the remaining bills for floor action. But not enough have cleared to disclose any meaningful totals.

Mr. Speaker, I suppose I should make one special note at this point. We have passed all the bills now in hand, but I must make the usual reservation about the possibility of a last-minute supplemental. I have not heard about one, but rare is the session when there is not a last-minute, catchall bill.

#### THE 1964 DEFICIENCY ESTIMATES

Congress, in this session, has considered budget estimates of appropriations from the President aggregating \$1,817,865,743, for additional funds for fiscal year 1964, in connection with several special money resolutions and the general deficiency bill cleared last month; \$1,718,375,143 was appropriated, a reduction of \$99,490,600. These figures are included in the session totals I have given previously. With relatively minor exceptions, few in number, for the first time in some years these bills were confined to amounts for emergencies or for

purposes of meeting obligations arising from new laws or other uncontrollable circumstances qualifying the regular appropriation, under the antideficiency law, for accelerated spending in anticipation of deficiency appropriations to cover. This year, the supplemental requests—which we can roughly say are those where the House had considerably more discretion as to approval or rejection—were handled in connection with the 1965 requests and in the 1965 bills.

The House laid a heavy hand to these supplementals. Out of budget requests of \$688,510,700, only \$33,330,000 prevailed in the bills on final House passage.

#### PERMANENT APPROPRIATIONS UNDER PRIOR LAWS

Mr. Speaker, to fill out the appropriations picture at this stage, there will also be available for the fiscal year 1965 sums aggregating roughly \$11,800,000,000—perhaps more—for various items of expenditure such as interest charges on the public debt, diversion of surplus non-basic agricultural commodities, administration of the National Wool Act, wildlife management and improvement projects—duck stamp fees and taxes on certain sporting goods—interest on Internal Revenue refunds, payments to States for certain receipts of the national forests, and sundry other purposes enumerated in the annual budget. These items, some 75 in number, are commonly called permanent appropriations. They flow from basic laws, carrying permanent arrangements, enacted in years past. Thus, the appropriation is automatic in that Congress is not required to reenact them in the annual appropriation bills each session. By far the largest is interest on the debt—tentatively estimated in the January budget at \$11,000,000,000.

Total appropriations of all kinds have exceeded \$100,000,000,000 in each of the last 2 years. They will, undoubtedly, again do so.

I include a table showing the bills of the session down to date, with appropriate comparisons:

#### Summary of totals of the appropriation bills, 88th Cong., 2d sess., as of July 1, 1964

(NOTE.—Loan authorizations not in this summary but are noted on the more detailed table)

<b>A. House actions:</b>		
1. Budget estimates considered (both 1964 deficiencies, supplementals, and regular 1965)		\$96,306,679,844
2. Amounts passed by the House—both 1964 and 1965 items (see item 4)		87,431,365,329
3. Gross reduction below budget estimates (but this is a distortion—see next item)		—8,875,314,515
4. Add back the amount in the reported bill for NASA which was stricken by point of order from the floor (thus putting the figures in better perspective)		5,200,000,000
5. Gross reduction below budget estimates as adjusted by item 4		—3,675,314,515
6. Appropriations to date for fiscal 1964 (total of 1st column of following table; total of 1964 deficiencies as finally approved, less portion thereof already in 1st column figures; and 1964 supplementals in House-passed 1965 bills)		92,160,719,939
7. Appropriations as approved by the House for 1965 (including, to remove the distortion, the \$5,200,000,000 for NASA)		90,951,433,640
8. Reductions by the House, amounts for fiscal 1965 below appropriations to date for fiscal 1964		—1,209,286,299
<b>B. Senate actions:</b>		
1. Budget estimates (on all bills considered)		9,122,517,743
2. Amounts approved		9,000,974,543
3. Reductions below budget estimates		—121,543,200
4. Increases above House		+119,777,254
<b>C. Final actions:</b>		
1. Amounts enacted (1964 deficiencies and 1 regular bill for 1965)		2,731,542,343
2. Amounts enacted below budget estimates related thereto		—122,284,400

## The appropriation bills, 88th Cong., 2d sess., as of July 1, 1964

[Does not include any back-door appropriations or permanent appropriations <sup>1</sup> under previous legislation. Does include indefinite appropriations carried in annual appropriation bills]

Title and bill number	Prior year appropriations	House					
		Budget estimates to House	Date passed	Amount as passed	House action compared with—		
					Prior year appropriations	Budget estimates	Amount reported
1964 DEFICIENCIES							
Department of Health, Education, and Welfare (H.J. Res. 875):							
Original resolution, 88th Cong., 1st sess. <sup>2</sup>		\$41,886,000	Dec. 19	\$41,886,000			
Subsequent consideration, 88th Cong., 2d sess. <sup>3</sup>		<sup>4</sup> 247,802,000	Jan. 28	<sup>5</sup> 247,802,000			
Total, H.J. Res. 875		289,688,000		289,688,000			
Department of Labor (H.J. Res. 962)		42,000,000	Mar. 24	42,000,000			
Disaster relief (H.J. Res. 976)		50,000,000	Apr. 6	50,000,000			
Deficiency, 1964 (H.R. 11201)		1,307,380,789	May 11	1,264,913,689		—\$42,467,100	
Total, 1964 deficiencies		1,689,068,789		1,646,601,689		—42,467,100	
1965 APPROPRIATION BILLS							
District of Columbia (H.R. 10199)	(\$313,115,662)	(357,702,300)	Mar. 3	(338,205,200)	(+\$25,089,538)	(—19,497,100)	
Federal payment, 1965 regular	40,368,000	53,220,000		40,720,000	+352,000	—12,500,000	
Loan authorization	(19,300,000)	(14,400,000)		(26,400,000)	(+7,100,000)	(+12,000,000)	
Interior (H.R. 10433)		1,035,678,000	Mar. 17	1,009,175,600		—26,502,400	
1965 regular appropriations	954,412,500	998,903,000		976,475,600	+22,063,100	—22,427,400	
Loan authorization	(6,000,000)	(20,000,000)		(14,000,000)	(+8,000,000)	(—6,000,000)	
1964 supplementals		36,775,000		32,700,000		—4,075,000	
Treasury-Post Office (H.R. 10532)			Mar. 24				
1965 regular appropriations	6,045,466,000	6,271,991,000		6,225,420,000	+179,954,000	—46,571,000	
1964 supplementals (by transfer)		(1,675,000)		(1,100,000)		(—575,000)	
Legislative (H.R. 10723)		222,587,355	Apr. 10	173,626,640		—48,960,715	—\$290,270
1965 regular appropriations	183,620,694	<sup>6</sup> 222,375,655		<sup>6</sup> 173,446,640	—10,174,054	—48,929,015	—290,270
1964 supplementals		211,700		190,000		—31,700	
Labor-HEW (H.R. 10809)		7,561,968,000	Apr. 14	6,908,663,000		—653,905,000	
1965 regular appropriations	5,795,436,500	7,104,782,000		6,908,663,000	+1,112,626,500	—196,719,000	
1964 supplementals		457,186,000				—457,186,000	
Defense (H.R. 10939):							
1965 regular appropriations	47,220,010,000	47,471,000,000	Apr. 22	46,759,267,000	—460,743,000	—711,733,000	
1964 supplementals (by transfer)		(6,000,000)		(6,000,000)			
State, Justice, Judiciary (H.R. 11134)		1,957,764,700	May 6	1,702,627,800		—255,136,900	
1965 regular appropriations	1,838,467,000	1,915,089,700		1,702,177,800	—136,289,200	—212,911,900	
1964 supplementals		42,675,000		450,000		—42,225,000	
Agriculture (H.R. 11202)		5,588,922,600	May 20	5,182,665,000		—406,257,600	
1965 regular appropriations	6,242,297,215	5,582,259,600		5,182,665,000	—1,059,632,215	—399,594,600	
Loan authorization	(855,000,000)	(753,000,000)		(795,000,000)	(—60,000,000)	(+42,000,000)	
1964 supplementals		6,663,000				—6,663,000	
Independent offices (H.R. 11296)		14,244,653,400	May 21	8,118,965,500		<sup>7</sup> —6,125,687,900	<sup>7</sup> —5,200,000,000
1965 regular appropriations	13,228,818,050	14,099,653,400		8,118,965,500	<sup>7</sup> —5,109,852,550	<sup>7</sup> —5,980,687,900	<sup>7</sup> —5,200,000,000
1964 supplementals		145,000,000				—145,000,000	
Military construction (H.R. 11369)							
1965 regular appropriations	1,585,880,000	1,879,000,000	May 26	1,599,014,500	+13,134,500	—279,985,500	
Public works (H.R. 11579):							
1965 regular appropriations	4,405,503,700	4,372,449,000	June 10	4,325,969,200	—79,534,500	—46,479,800	
Foreign assistance (H.R. 11812):							
1965 regular appropriations	3,264,023,137	5,958,377,000	July 1	3,739,249,400	+475,226,263	—219,127,600	
Total, 1965 regular	90,804,302,796	93,929,100,355		85,751,433,640	—5,052,869,156	—8,177,666,715	—5,200,290,270
Total, 1964 supplementals (included in 1965 bills)		688,510,700		38,330,000		—655,180,700	
Total, all appropriations		96,306,679,844		87,431,385,329		—8,875,314,515	—5,200,290,270
Total, loan authorizations	(880,300,000)	(787,400,000)		(835,400,000)	(—44,900,000)	(+48,000,000)	

Title and bill No.	Senate					Final appropriation		
	Budget estimates to Senate	Amount as passed	Senate action compared with—			Amount as approved	Final action compared with—	
			Prior year appropriations	Budget estimates	House action		Prior year	Budget estimates
1964 DEFICIENCIES								
Department of Health, Education, and Welfare (H.J. Res. 875):								
Original resolution, 88th Cong., 1st sess. <sup>2</sup>	\$41,886,000	\$258,090,000		+\$216,204,000	+\$216,204,000			—\$41,886,000
Subsequent consideration, 88th Cong., 2d sess. <sup>3</sup>	<sup>4</sup> 247,802,000	<sup>5</sup> 31,598,000		—216,204,000	—216,204,000	<sup>6</sup> \$289,688,000		+41,886,000
Total, H.J. Res. 875	289,688,000	289,688,000				289,688,000		
Department of Labor (H.J. Res. 962)	42,000,000	42,000,000				42,000,000		
Disaster relief (H.J. Res. 976)	50,000,000	50,000,000				50,000,000		
Deficiency, 1964 (H.R. 11201)	1,436,177,743	1,349,637,143		—86,540,600	+84,723,454	1,336,687,143		—99,490,600
Total, 1964 deficiencies	1,817,865,743	1,731,325,143		—86,540,600	+84,723,454	1,718,375,143		—99,490,600
1965 APPROPRIATION BILLS								
District of Columbia (H.R. 10199)								
Federal payment, 1965 regular								
Loan authorization								
Interior (H.R. 10433)	1,035,961,000	1,029,226,400		—6,734,600	+20,050,800	1,013,167,200		—22,793,800
1965 regular appropriations	998,903,000	993,554,400	+\$39,141,900	—5,348,600	+17,078,800	978,959,200	—\$24,546,700	—19,543,800
Loan authorization	(20,000,000)	(14,000,000)	(+8,000,000)	(—6,000,000)		(14,000,000)	(+8,000,000)	(—6,000,000)
1964 supplementals	37,058,000	35,672,000		—1,386,000	+2,972,000	34,208,000		—2,850,000
Treasury-Post Office (H.R. 10532)								
1965 regular appropriations	6,268,691,000	6,240,423,000	+194,957,000	—28,268,000	+15,003,000			
1964 supplementals (by transfer)	(1,675,000)	(1,100,000)		(—575,000)				

Footnotes at end of table.

# H. R. 11812

Enacted by the Senate and House of Representatives  
of the United States of America in the

Eighty-third Congress

First Session, January 3, 1914

## AN ACT

to amend the Act of August 1, 1906, entitled "An Act  
to provide for the collection and disposal of the  
wreck of the ship 'Titanic' and the remains of the crew."



88TH CONGRESS  
2D SESSION

# H. R. 11812

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IN THE SENATE OF THE UNITED STATES

JULY 2, 1964

Read twice and referred to the Committee on Appropriations

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## AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

- 1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1965, namely:

## 1 TITLE I—FOREIGN ASSISTANCE

## 2 FUNDS APPROPRIATED TO THE PRESIDENT

3 For expenses necessary to enable the President to carry  
4 out the provisions of the Foreign Assistance Act of 1961,  
5 as amended, to remain available until June 30, 1965, unless  
6 otherwise specified herein, as follows:

## 7 ECONOMIC ASSISTANCE

8 Development grants: For expenses authorized by section  
9 212, \$204,600,000.

10 American schools and hospitals abroad: For expenses  
11 authorized by section 214 (c) , \$18,000,000.

12 Surveys of investment opportunities: For expenses  
13 authorized by section 232, \$2,100,000.

14 International organizations and programs: For expenses  
15 authorized by section 302, \$134,272,400.

16 Supporting assistance: For expenses authorized by sec-  
17 tion 402, \$405,000,000.

18 Contingency fund: For expenses authorized by section  
19 451 (a) , \$150,000,000.

20 Alliance for Progress, development grants: For expenses  
21 authorized by section 252, \$85,000,000.

22 Alliance for Progress, development loans: For assist-  
23 ance authorized by section 252, \$425,000,000, to remain  
24 available until expended.

25 Development loans: For expenses authorized by section  
26 202 (a) , \$782,200,000, to remain available until expended:

1 *Provided*, That no part of this appropriation may be  
2 used to carry out the provisions of section 205 of the For-  
3 eign Assistance Act of 1961, as amended.

4       Administrative expenses: For expenses authorized by  
5 section 637 (a), \$52,500,000.

6       Administrative and other expenses: For expenses  
7 authorized by section 637 (b) of the Foreign Assistance Act  
8 of 1961, as amended, and by section 305 of the Mutual  
9 Defense Assistance Control Act of 1951, as amended,  
10 \$2,900,000.

11       Unobligated balances as of June 30, 1964, of funds  
12 heretofore made available under the authority of the Foreign  
13 Assistance Act of 1961, as amended, except as otherwise  
14 provided by law, are hereby continued available for the fiscal  
15 year 1965, for the same general purposes for which appro-  
16 priated and amounts certified pursuant to section 1311 of the  
17 Supplemental Appropriation Act, 1955, as having been  
18 obligated against appropriations heretofore made under the  
19 authority of the Mutual Security Act of 1954, as amended,  
20 and the Foreign Assistance Act of 1961, as amended, for  
21 the same general purpose as any of the subparagraphs under  
22 "Economic Assistance," are hereby continued available for  
23 the same period as the respective appropriations in such sub-  
24 paragraphs for the same general purpose: *Provided*, That  
25 such purpose relates to a **project** or program previously jus-

1   tified to Congress and the Committees on Appropriations of  
2   the House of Representatives and the Senate are notified  
3   prior to the reobligation of funds for such projects or  
4   programs.

5       Of the foregoing amounts for economic assistance,  
6   \$300,000,000 shall be available for obligation only through  
7   the apportionment review and approval procedure prescribed  
8   by law in such amounts and at such times as may be deter-  
9   mined by the President in the national interest that funds  
10  otherwise available for the purposes of programs under this  
11  title are insufficient to meet the cost of additional authorized  
12  projects.

#### 13                                   MILITARY ASSISTANCE

14       Military assistance: For expenses authorized by section  
15  504 (a) of the Foreign Assistance Act of 1961, as amended,  
16  including administrative expenses authorized by section  
17  636 (g) (1) of such Act, which shall not exceed \$23,500,-  
18  000 for the current fiscal year, and purchase of passenger  
19  motor vehicles for replacement only for use outside the United  
20  States: *Provided*, That none of the funds contained in this  
21  paragraph shall be available for the purchase of new auto-  
22  motive vehicles outside of the United States, \$1,055,000,-  
23  000.

#### 24                                   GENERAL PROVISIONS

25       SEC. 101. None of the funds herein appropriated  
26  (other than funds appropriated under the authorization for

1 “International organizations and programs”) shall be used  
2 to finance the construction of any new flood control, reclama-  
3 tion, or other water or related land resource project or  
4 program which has not met the standards and criteria used  
5 in determining the feasibility of flood control, reclamation  
6 and other water and related land resource programs and  
7 projects proposed for construction within the United States  
8 of America as per memorandum of the President dated May  
9 15, 1962.

10 SEC. 102. Obligations made from funds herein appro-  
11 priated for engineering and architectural fees and services  
12 to any individual or group of engineering and architectural  
13 firms on any one project in excess of \$25,000 shall be re-  
14 ported to the Committees on Appropriations of the Senate  
15 and House of Representatives at least twice annually.

16 SEC. 103. Except for the appropriations entitled  
17 “Contingency fund” and “Development loans”, not more  
18 than 20 per centum of any appropriation item made avail-  
19 able by this title shall be obligated and/or reserved during  
20 the last month of availability.

21 SEC. 104. None of the funds herein appropriated nor  
22 any of the counterpart funds generated as a result of assist-  
23 ance hereunder or any prior Act shall be used to pay pen-  
24 sions, annuities, retirement pay or adjusted service com-  
25 pensation for any persons heretofore or hereafter serving  
26 in the armed forces of any recipient country.

1        SEC. 105. The Congress hereby reiterates its opposi-  
2    tion to the seating in the United Nations of the Communist  
3    China regime as the representative of China, and it is hereby  
4    declared to be the continuing sense of the Congress that the  
5    Communist regime in China has not demonstrated its will-  
6    ingness to fulfill the obligations contained in the Charter of  
7    the United Nations and should not be recognized to repre-  
8    sent China in the United Nations. In the event of the  
9    seating of representatives of the Chinese Communist regime  
10   in the Security Council or General Assembly of the United  
11   Nations the President is requested to inform the Congress  
12   insofar as is compatible with the requirements of national  
13   security, of the implications of this action upon the foreign  
14   policy of the United States and our foreign relationships,  
15   including that created by membership in the United Nations,  
16   together with any recommendations which he may have  
17   with respect to the matter.

18        SEC. 106. It is the sense of Congress that any attempt  
19   by foreign nations to create distinctions because of their  
20   race or religion among American citizens in the granting of  
21   personal or commercial access or any other rights otherwise  
22   available to United States citizens generally is repugnant  
23   to our principles; and in all negotiations between the United  
24   States and any foreign state arising as a result of funds

1 appropriated under this title these principles shall be applied  
2 as the President may determine.

3 SEC. 107. (a) No assistance shall be furnished under  
4 the Foreign Assistance Act of 1961, as amended, to any  
5 country which sells, furnishes, or permits any ships under  
6 its registry to carry to Cuba, so long as it is governed by the  
7 Castro regime, in addition to those items contained on the  
8 list maintained by the Administrator pursuant to title I of  
9 the Mutual Defense Assistance Control Act of 1951, as  
10 amended, any arms, ammunition, implements of war, atomic  
11 energy materials, or any other articles, materials, or sup-  
12 plies of primary strategic significance used in the production  
13 of arms, ammunition, and implements of war or of strategic  
14 significance to the conduct of war, including petroleum  
15 products.

16 (b) No economic assistance shall be furnished under  
17 the Foreign Assistance Act of 1961, as amended, to any  
18 country which sells, furnishes, or permits any ships under  
19 its registry to carry items of economic assistance to Cuba,  
20 so long as it is governed by the Castro regime, unless the  
21 President determines that the withholding of such assistance  
22 would be contrary to the national interest and reports such  
23 determination to the Foreign Relations and Appropriations  
24 Committees of the Senate and the Foreign Affairs and Ap-  
25 propriations Committees of the House of Representatives.

1 Reports made pursuant to this subsection shall be published  
2 in the Federal Register within seven days of submission to  
3 the committees and shall contain a statement by the Presi-  
4 dent of the reasons for such determination.

5 SEC. 108. Any obligation made from funds provided  
6 in this title for procurement outside the United States of any  
7 commodity in bulk and in excess of \$100,000 shall be re-  
8 ported to the Committees on Appropriations of the Senate  
9 and the House of Representatives at least twice annually:  
10 *Provided*, That each such report shall state the reasons for  
11 which the President determined, pursuant to criteria set  
12 forth in section 604 (a) of the Foreign Assistance Act of  
13 1961, as amended, that foreign procurement will not ad-  
14 versely affect the economy of the United States.

15 SEC. 109. (a) No assistance shall be furnished to any  
16 nation, whose government is based upon that theory of gov-  
17 ernment known as communism under the Foreign Assistance  
18 Act of 1961, as amended, for any arms, ammunition, imple-  
19 ments of war, atomic energy materials, or any articles, mate-  
20 rials, or supplies, such as petroleum, transportation materials  
21 of strategic value, and items of primary strategic significance  
22 used in the production of arms, ammunition, and implements  
23 of war, contained on the list maintained by the Administra-  
24 tor pursuant to title I of the Mutual Defense Assistance Con-  
25 trol Act of 1951, as amended.

1       (b) No economic assistance shall be furnished to any  
2 nation whose government is based upon that theory of gov-  
3 ernment known as communism under the Foreign Assistance  
4 Act of 1961, as amended (except section 214 (b) ), unless  
5 the President determines that the withholding of such assist-  
6 ance would be contrary to the national interest and reports  
7 such determination to the Foreign Affairs and Appropriations  
8 Committees of the House of Representatives and Foreign  
9 Relations and Appropriations Committees of the Senate.  
10 Reports made pursuant to this subsection shall be published  
11 in the Federal Register within seven days of submission to  
12 the committees and shall contain a statement by the Presi-  
13 dent of the reasons for such determination.

14       SEC. 110. None of the funds appropriated or made  
15 available pursuant to this Act for carrying out the Foreign  
16 Assistance Act of 1961, as amended, may be used for making  
17 payments on any contract for procurement to which the  
18 United States is a party entered into after the date of enact-  
19 ment of this Act which does not contain a provision author-  
20 izing the termination of such contract for the convenience  
21 of the United States.

22       SEC. 111. None of the funds appropriated or made  
23 available under this Act for carrying out the Foreign Assist-  
24 ance Act of 1961, as amended, may be used to make pay-

1   ments with respect to any contract for the performance of  
2   services outside the United States by United States citizens  
3   where such citizens have not been investigated for loyalty  
4   and security in the same manner and to the same extent  
5   as would apply if they were regularly employed by the  
6   United States.

7       SEC. 112. None of the funds appropriated or made  
8   available under this Act for carrying out the Foreign Assist-  
9   ance Act of 1961, as amended, may be used to make pay-  
10   ments with respect to any capital project financed by loans  
11   or grants from the United States where the United States has  
12   not directly approved the terms of the contracts and the firms  
13   to provide engineering, procurement, and construction serv-  
14   ices on such projects.

15       SEC. 113. Of the funds appropriated or made available  
16   pursuant to this Act not more than \$6,000,000 may be used  
17   during the fiscal year ending June 30, 1965, in carrying out  
18   section 241 of the Foreign Assistance Act of 1961, as  
19   amended.

20       SEC. 114. None of the funds appropriated or made  
21   available pursuant to this Act for carrying out the Foreign  
22   Assistance Act of 1961, as amended, may be used to pay in  
23   whole or in part any assessments, arrearages or dues of any  
24   member of the United Nations.

25       SEC. 115. Foreign currencies not to exceed \$200,-

1 000, made available for loans pursuant to section 104  
2 (e) of the Agricultural Trade Development and Assistance  
3 Act of 1954, as amended, shall be available during the cur-  
4 rent fiscal year for expenses incurred incident to such loans.

5 SEC. 116. None of the administrative expense or other  
6 funds herein appropriated shall be available in connection  
7 with the use of receipts of United States dollars, derived from  
8 loan repayments and interest collections in the Development  
9 Loan Fund and Alliance for Progress revolving funds.

10 SEC. 117. None of the funds made available by this  
11 Act for carrying out the Foreign Assistance Act of 1961,  
12 as amended, may be obligated on or after April 30, 1964,  
13 for financing, in whole or in part, the direct costs of any  
14 contract for the construction of facilities and installations  
15 in any underdeveloped country, unless the President shall,  
16 on or before such date, have promulgated regulations designed  
17 to assure, to the maximum extent consistent with the national  
18 interest and the avoidance of excessive costs to the United  
19 States, that none of the funds made available by this Act  
20 and thereafter obligated shall be used to finance the direct  
21 costs under such contracts for construction work performed  
22 by persons other than qualified nationals of the recipient  
23 country or qualified citizens of the United States: *Provided,*  
24 *however,* That the President may waive the application of  
25 this amendment if it is important to the national interest.

## 1        TITLE II—FOREIGN ASSISTANCE (OTHER)

## 2                FUNDS APPROPRIATED TO THE PRESIDENT

## 3                                PEACE CORPS

4        For expenses necessary to enable the President to carry  
5 out the provisions of the Peace Corps Act (75 Stat. 612),  
6 as amended, including purchase of not to exceed five pas-  
7 senger motor vehicles for use outside the United States,  
8 \$87,100,000, together with not to exceed \$17,000,000 of  
9 funds previously appropriated which are hereby continued  
10 available for the fiscal year 1965, of which not to exceed  
11 \$20,500,000 shall be available for administration and pro-  
12 gram support costs.

## 13        DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

## 14                                RYUKYU ISLANDS, ARMY

## 15                                ADMINISTRATION

16        For expenses, not otherwise provided for, necessary to  
17 meet the responsibilities and obligations of the United States  
18 in connection with the government of the Ryukyu Islands,  
19 as authorized by the Act of July 12, 1960 (74 Stat. 461),  
20 as amended (76 Stat. 742) ; services as authorized by section  
21 15 of the Act of August 2, 1946 (5 U.S.C. 55a) , of indi-  
22 viduals not to exceed ten in number; not to exceed \$4,000  
23 for contingencies for the High Commissioner, to be expended  
24 in his discretion; hire of passenger motor vehicles and air-  
25 craft; purchase of four passenger motor vehicles, for replace-

1 ment only; and construction, repair, and maintenance of  
2 buildings, utilities, facilities, and appurtenances; \$14,441,-  
3 000, of which not to exceed \$2,441,000 shall be avail-  
4 able for administrative and information expenses, and  
5 \$4,000,000 shall be available for transfer to the Ryukyu  
6 Domestic Water Corporation for construction of a por-  
7 tion of the integrated island water system: *Provided*,  
8 That expenditures from this appropriation may be made  
9 outside continental United States when necessary to carry  
10 out its purposes, without regard to sections 355 and 3648,  
11 Revised Statutes, as amended, section 4774 (d) of title 10,  
12 United States Code, civil service or classification laws, or  
13 provisions of law prohibiting payment of any person not a  
14 citizen of the United States: *Provided further*, That funds  
15 appropriated hereunder may be used, insofar as practicable,  
16 and under such rules and regulations as may be prescribed  
17 by the Secretary of the Army to pay ocean transportation  
18 charges from United States ports, including territorial ports,  
19 to ports in the Ryukyus for the movement of supplies  
20 donated to, or purchased by, United States voluntary non-  
21 profit relief agencies registered with and recommended by  
22 the Advisory Committee on Voluntary Foreign Aid or of  
23 relief packages consigned to individuals residing in such  
24 areas: *Provided further*, That the President may transfer to

1 any other department or agency any function or functions  
2 provided for under this appropriation, and there shall be  
3 transferred to any such department or agency, without reim-  
4 bursement and without regard to the appropriation from  
5 which procured, such property as the Director of the Bureau  
6 of the Budget shall determine to relate primarily to any  
7 function or functions so transferred.

8 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
9 ASSISTANCE TO REFUGEES IN THE UNITED STATES

10 For expenses necessary to carry out the provisions of  
11 the Migration and Refugee Assistance Act of 1962 (Public  
12 Law 87-510), relating to aid to refugees within the United  
13 States, including hire of passenger motor vehicles, and serv-  
14 ices as authorized by section 15 of the Act of August 2,  
15 1946 (5 U.S.C. 55a), \$45,400,000.

16 DEPARTMENT OF STATE

17 MIGRATION AND REFUGEE ASSISTANCE

18 For expenses, not otherwise provided for, necessary to  
19 enable the Secretary of State to provide assistance to refu-  
20 gees, as authorized by law, including contributions to the  
21 Intergovernmental Committee for European Migration and  
22 the United Nations High Commissioner for Refugees; sal-  
23 aries and expenses of personnel and dependents as authorized  
24 by the Foreign Service Act of 1946, as amended (22 U.S.C.  
25 801-1158); allowances as authorized by the Overseas Dif-  
26 ferentials and Allowances Act (5 U.S.C. 3031-3039); hire

1 of passenger motor vehicles; and services as authorized by  
2 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a);  
3 \$8,200,000: *Provided*, That no funds herein appropriated  
4 shall be used to assist directly in the migration to any nation  
5 in the Western Hemisphere of any person not having a  
6 security clearance based on reasonable standards to insure  
7 against Communist infiltration in the Western Hemisphere.

8 FUNDS APPROPRIATED TO THE PRESIDENT

9 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

10 For subscriptions to the Inter-American Development  
11 Bank for the first installment on the increase in callable capi-  
12 tal stock \$205,880,000, to remain available until expended.

13 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT

14 ASSOCIATION

15 For payment of the fifth installment of the subscription  
16 of the United States to the International Development Asso-  
17 ciation, \$61,656,000, to remain available until expended.

18 TITLE III—EXPORT-IMPORT BANK OF

19 WASHINGTON

20 The Export-Import Bank of Washington is hereby  
21 authorized to make such expenditures within the limits of  
22 funds and borrowing authority available to such corporation,  
23 and in accord with law, and to make such contracts and  
24 commitments without regard to fiscal year limitations as pro-  
25 vided by section 104 of the Government Corporation Con-  
26 trol Act, as amended, as may be necessary in carrying out

1 the program set forth in the budget for the current fiscal year  
2 for such corporation, except as hereinafter provided.

3           LIMITATION ON OPERATING EXPENSES

4       Not to exceed \$1,350,060,000 (of which not to exceed  
5 \$944,000,000 shall be for long term project and equipment  
6 loans) shall be authorized during the current fiscal year for  
7 other than administrative expenses.

8           LIMITATION ON ADMINISTRATIVE EXPENSES

9       Not to exceed \$3,781,000 (to be computed on an ac-  
10 crual basis) shall be available during the current fiscal year  
11 for administrative expenses, including services as authorized  
12 by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a),  
13 at rates not to exceed \$75 per diem for individuals,  
14 and not to exceed \$9,000 for entertainment allowances for  
15 members of the Board of Directors: *Provided*, That (1)  
16 fees or dues to international organizations of credit institu-  
17 tions engaged in financing foreign trade, (2) necessary ex-  
18 penses (including special services performed on a contract  
19 or fee basis, but not including other personal services) in  
20 connection with the acquisition, operation, maintenance, im-  
21 provement, or disposition of any real or personal property  
22 belonging to the Bank or in which it has an interest, includ-  
23 ing expenses of collections of pledged collateral, or the in-  
24 vestigation or appraisal of any property in respect to which  
25 an application for a loan has been made, and (3) expenses

1 (other than internal expenses of the Bank) incurred in  
2 connection with the issuance and servicing of guarantees,  
3 insurance, and reinsurance, shall be considered as nonad-  
4 ministrative expenses for the purposes hereof.

5 None of the funds made available because of the pro-  
6 visions of this title shall be used by the Export-Import  
7 Bank to either guarantee the payment of any obligation  
8 hereafter incurred by any Communist country (as defined  
9 in section 620 (f) of the Foreign Assistance Act of 1961,  
10 as amended) or any agency or national thereof, or in any  
11 other way to participate in the extension of credit to any  
12 such country, agency, or national, in connection with the  
13 purchase of any product by such country, agency, or na-  
14 tional, except when the President determines that such  
15 guarantees would be in the national interest and reports  
16 each such determination to the House of Representatives  
17 and the Senate within 30 days after such determination.

#### 18 TITLE IV—GENERAL PROVISIONS

19 SEC. 401. No part of any appropriation contained in  
20 this Act shall be used for publicity or propaganda purposes  
21 within the United States not heretofore authorized by the  
22 Congress.

23 SEC. 402. None of the funds herein appropriated shall  
24 be used for expenses of the Inspector General, Foreign  
25 Assistance, after the expiration of the thirty-five day period  
26 which begins on the date the General Accounting Office

1 or any committee of the Congress, or any duly authorized  
2 subcommittee thereof, charged with considering foreign assist-  
3 ance legislation, appropriations, or expenditures, has deliv-  
4 ered to the Office of the Inspector General, Foreign Assist-  
5 ance, a written request that it be furnished any document,  
6 paper, communication, audit, review, finding, recommenda-  
7 tion, report, or other material in the custody or control of  
8 the Inspector General, Foreign Assistance, relating to any  
9 review, inspection, or audit arranged for, directed, or con-  
10 ducted by him, unless and until there has been furnished to  
11 the General Accounting Office or to such committee or  
12 subcommittee, as the case may be, (A) the document, paper,  
13 communication, audit, review, finding, recommendation,  
14 report, or other material so requested or (B) a certification  
15 by the President, personally, that he has forbidden the fur-  
16 nishing thereof pursuant to such request and his reason for  
17 so doing.

18 SEC. 403. No part of any appropriation contained in  
19 this Act shall be used to conduct or assist in conducting any  
20 program (including but not limited to the payment of  
21 salaries, administrative expenses, and the conduct of research  
22 activities) related directly or indirectly to the establishment

1 of a national service corps or similar domestic peace corps  
2 type of program.

3 This Act may be cited as the “Foreign Assistance and  
4 Related Agencies Appropriation Act, 1965.”

Passed the House of Representatives July 1, 1964.

Attest: RALPH R. ROBERTS,  
*Clerk.*

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## AN ACT

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Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

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JULY 2, 1964

Read twice and referred to the Committee on Appropriations



AN ACT

to amend the law relating to the

of the

# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business Postage and fees paid  
U. S. Department of Agriculture

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued Sept. 30, 1964

For actions of Sept. 29, 1964

88th-2nd; No. 187

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HIGHLIGHTS: Senate committee reported supplemental appropriation bill and foreign aid appropriation bill. Senate received appropriation estimate for Appalachia program.

## SENATE

1. SUPPLEMENTAL APPROPRIATION BILL, 1965. The Appropriations Committee reported with amendments this title, H. R. 12633 (S. Rept. 1604) (p. 22298). Attached to this Digest is a summary table showing the budget estimates, House action, and Senate committee action on items of interest to this Department.
2. FOREIGN AID APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 11812, the foreign aid appropriation bill for 1965 (S. Rept. 1605). p. 22298
3. LANDS. The Interior and Insular Affairs Committee reported without amendment H. R. 1096, to authorize the Secretary of the Interior to cooperate with Wisc. in the designation and administration of the Ice Age National Scientific Reserve (S. Rept. 1606), and H. R. 6218, to authorize additional extensions of time for final proof by certain entrymen under the desert land laws and to make such additional extensions available to the successors in interest of the entrymen (S. Rept. 1603). p. 22298

Passed with amendments S. 2249, to authorize the Secretary of the Interior to establish the Indiana Dunes National Lakeshore. pp. 22316-23

4. APPALACHIA APPROPRIATIONS. Received from the President an appropriation estimate for fiscal year 1965 of \$800,000 for the Appalachian Regional Commission (S. Doc. 105); to Appropriations Committee. p. 22298
5. FEDERAL SPENDING; PUBLIC DEBT. Sen. Dirksen inserted a table showing Federal spending, per capita spending, the public debt, per capita Federal debt, and the change in the public debt status from administration to administration since 1899. pp. 22300-02
6. WATERSHEDS. The Public Works Committee approved plans for works of improvement on the Montpelier Creek, Ida., and Sutherlin Creek, Oreg., watersheds. p. 22302
7. POVERTY. Sen. McGovern commended "the speed with which the economic opportunity programs are being launched, and the speed with which Indian people generally and Indian tribes in South Dakota are taking advantage of the programs it offers," and inserted an article on the matter. pp. 22302-3
8. APPALACHIA. Sen. Brewster inserted an editorial discussing possible benefits of the proposed Appalachia program in the economic development of western Maryland. pp. 22305-6
9. STOCKPILING. Sen Metcalf spoke in support of his bill to make surplus stockpile materials available to schools and hospitals and inserted letters he had received supporting the proposal. pp. 22309-16
10. TARIFFS. Began debate on H. R. 12253, to amend certain of the tariff schedules. pp. 22323, 22358-72
11. GOVERNMENT OPERATIONS. Sen. McClellan reviewed the activities of the Government Operations Committee during this Congress and inserted a summary. pp. 22341-48
12. RESEARCH. Sen. Nelson reviewed the research and development activities of colleges and universities in the Midwest and inserted letters from several of the institutions on their activities. pp. 22355-58

#### HOUSE

13. FARM LABOR. Rep. Teague stated that the "lack of an adequate and qualified supplemental labor force would mean disaster" for many Calif. farmers and urged that a "program for supplemental labor be devised and made known immediately." p. 22375
14. PUBLIC LAW 480. Received from the Foreign Agricultural Service, USDA, a report on "title 1, Public Law 480, agreement with the Republic of the Congo and including copies of previous agreements with the Republic of Guinea, the Governments of Tunisia, Greece, Vietnam, and the United Arab Republic." p. 22426
15. RESEARCH. Received from the Select Committee on Government Research a report on Manpower for Research and Development (H. Rept. 1907). p. 22426

## FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1965

SEPTEMBER 29, 1964.—Ordered to be printed

Mr. PASTORE, from the Committee on Appropriations, submitted the following

### REPORT

[To accompany H.R. 11812]

The Committee on Appropriations, to whom was referred the bill (H.R. 11812) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House.....	\$3, 739, 249, 400
Amount of decrease by Senate committee.....	27, 172, 400
Amount of bill as reported to the Senate....	3, 712, 077, 000
Amount of estimates, 1965.....	3, 958, 377, 000
Amount of appropriations, 1964.....	3, 264, 023, 137
The bill as reported to the Senate:	
Under the estimates for 1965.....	246, 300, 000
Over the appropriations for 1964.....	448, 053, 863

*Summary of the bill*

Title	Item	Budget estimates	Bill as it passed House	Recommended by Senate Committee	Increase (+) or decrease (-) Senate bill compared with—	
					Budget estimate	Bill as it passed House
I	Foreign assistance.....	\$3,516,700,000	\$3,316,572,400	\$3,300,000,000	—\$216,700,000	—\$16,572,400
II	Foreign assistance (other).....	441,677,000	422,677,000	412,077,000	—29,600,000	—10,600,000
III	Export-Import Bank of Washington (limitation).....	(1,353,841,000)	(1,353,841,000)	(1,353,841,000)	-----	-----
		3,958,377,000	3,739,249,400	3,712,077,000	—246,300,000	—27,172,400

## GENERAL STATEMENT

In reporting this bill to the Senate, the committee was faced with the fact that an authorization bill for the foreign aid program (title I) had not been enacted into law and precise figures of authorization were not available. For title I, the committee has followed the lead of the Senate and has recommended an appropriation of \$3.3 billion, the amount of the authorization bill as it passed the Senate. The authorization bill when it is enacted will authorize funds for the fiscal year 1965 and the committee recognizes that should it exceed the appropriations in this bill, there will remain balances which have been authorized but not appropriated for.

The revised budget estimates for title I of the bill (the foreign assistance program), as submitted by the executive branch, total \$3,516,700,000. The committee recommends an appropriation of \$3,300,000,000, which is less than the estimates by \$216,700,000, and \$16,572,400 under the amount allowed by the House of Representatives.

Detailed testimony was presented to the committee by Secretary of State Rusk, Secretary of Defense McNamara, AID Administrator Bell, General Wood, Director of Military Assistance, and others, emphasizing the necessity for continuing the programs initiated under the foreign aid legislation, which, needless to say, has been a vital instrument of our foreign policy for the past two decades.

Fifteen years ago, as much as 86 percent of our foreign assistance was channeled into Western Europe and Japan. Today those countries receive none of our economic aid, and very little military aid. As warranted by the changes in conditions and circumstances, economic aid has been directed to the underdeveloped countries of Latin America, Asia, and Africa, and military aid has been reserved primarily for those countries bordering the Communist bloc.

As late as 10 years ago, 60 percent of the aid program was utilized for military assistance; today the great bulk of the aid extended is economic. Five years ago, most of the aid program was on a grant basis; today two-thirds of the AID assistance is financed by loans repayable in dollars. Further illustrative of the changing trend, economic aid dollars 5 years ago were expended in countries where world prices were lowest, and less than half of our AID dollars was spent in the United States. For fiscal year 1964, however, more than 80 percent of the funds appropriated are committed for purchases of U.S. goods and services, and it is estimated that the percentage will be higher for fiscal year 1965.

According to the testimony presented to the committee, foreign aid is a declining burden on the economy of the United States. For example, in 1949 expenditures for foreign assistance were approximately 2 percent of the gross national product; anticipated expenditures for fiscal year 1965 are 0.6 percent of the GNP. In 1949 foreign aid expenditures were 11.5 percent of the Federal budget; for the current fiscal year, these expenditures are estimated to comprise only 3.5 percent of the budget.

The committee is of the belief that the funds allowed in this bill will provide the moneys necessary to implement the purposes, and to assure continuing progress in accomplishing the objectives, of the foreign assistance program.

The table on page 2 of this report sets forth the requests of the administration for new obligational authority, as well as the recommendations of the House of Representatives and the Senate committee. These figures, although appearing in the appropriation bill do not present the full picture, as they do not include the carryover of unobligated balances, reimbursements and receipts, and deobligated funds available for reobligation.

In order to provide a more meaningful picture of the actual amounts obligated in fiscal year 1964, the program of the administration for fiscal year 1965 and the House and Senate allowances therefor, the following table has been prepared on a program basis for title I:

## Summary of title I of the bill

Item	Fiscal year 1964 obligations	Fiscal year 1965 program			Increase (+) or decrease (—) Senate bill compared with—	
		Submitted to Congress	Approved by House	Recommended by Senate	Fiscal year 1965 program submitted to Congress	House bill
Economic assistance:						
Technical cooperation and development grants.....	\$211,759,759	\$234,800,000	\$220,800,000	\$220,800,000	—\$14,000,000	-----
American schools and hospitals abroad.....	20,700,000	18,000,000	19,200,000	18,000,000	-----	—\$1,200,000
Surveys of investment opportunities.....	1,100,310	2,400,000	2,900,000	2,400,000	-----	—500,000
International organizations and programs.....	116,336,227	134,400,000	134,272,400	134,272,400	—127,600	-----
Supporting assistance.....	364,375,971	418,600,000	422,600,000	418,600,000	-----	—4,000,000
Contingency funds.....	108,173,666	150,000,000	150,800,000	150,000,000	-----	—800,000
Alliance for Progress:						
Inter-American Social and Economic Cooperation Program.....	135,000,000	-----	-----	-----	-----	-----
Technical cooperation and development grants.....	89,586,845	88,000,000	88,300,000	88,000,000	-----	—300,000
Development loans.....	469,517,879	482,300,000	435,000,000	435,000,000	—47,300,000	-----
Development loans.....	845,240,761	960,200,000	807,200,000	798,727,600	—161,472,400	—8,472,400
Administrative expenses:						
AID.....	54,028,274	53,500,000	54,800,000	53,500,000	-----	—1,300,000
State.....	2,715,304	2,900,000	2,900,000	2,900,000	-----	-----
Subtotal, economic assistance.....	2,418,534,996	2,545,100,000	2,338,772,400	2,322,200,000	—222,900,000	—16,572,400
Military assistance.....	1,231,793,647	1,215,000,000	1,141,600,000	1,141,600,000	—73,400,000	-----
Total, economic and military assistance.....	3,650,328,643	3,760,100,000	3,480,372,400	3,463,800,000	—296,300,000	—16,572,400

## CARRYOVER FUNDS

The unobligated balance carried over into fiscal year 1965, estimated deobligations which will be available for reobligation, and estimated reimbursements total \$163,800,000 for title I of the bill. This amount is distributed as follows:

	<i>In millions</i>
Economic assistance:	
Technical cooperation and development grants.....	\$16.2
American schools and hospitals abroad.....	1.2
Surveys of investment opportunities.....	.8
Supporting assistance.....	17.6
Contingency fund.....	.8
Alliance for Progress:	
Technical cooperation and development grants.....	3.3
Development loans.....	10.0
Development loans.....	25.0
Administrative expenses: AID.....	2.3
Military assistance.....	86.6
Total, economic and military assistance.....	163.8

## TITLE I—FOREIGN ASSISTANCE

## FUNDS APPROPRIATED TO THE PRESIDENT

## ECONOMIC ASSISTANCE

## TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

1964 appropriation.....	\$155,000,000
1965 budget estimate, revised.....	224,600,000
House allowance.....	204,600,000
Committee recommendation.....	204,600,000

For development grants, the committee recommends the appropriation of \$204,600,000, which is the same amount as the House allowance and \$20,000,000 below the amount requested in the estimate.

The administration request under this head is \$234,800,000, consisting of \$224,600,000 in new funds and \$10,200,000 in carryover, deobligations, and reimbursements. It is now estimated that the carryover, deobligations, and reimbursements will be \$16,200,000. The sum recommended by the committee of \$204,600,000, together with the carryover of \$16,200,000, will provide a program of \$220,800,000.

This appropriation is used principally to hire experts and technicians to help other countries, exclusive of the countries in Latin America, train teachers, health workers, agricultural extension agents, and other skilled persons necessary to the achievement of economic progress in those countries.

The initial budget program, on a regional basis, is as follows:

	<i>Fiscal year 1965 program</i>
Region:	
Near East and south Asia.....	\$49,300,000
Far East.....	47,500,000
Africa.....	82,900,000
Nonregional.....	55,100,000
Total.....	234,800,000

Included within the estimate are funds for programs in 48 countries, CENTO, regional programs, and financing for the interregional program, ocean freight and research programs.

## AMERICAN SCHOOLS AND HOSPITALS ABROAD

1964 appropriation-----	\$19,000,000
1965 budget estimate, revised-----	18,000,000
House allowance-----	18,000,000
Committee recommendation-----	16,800,000

The program request of the administration is in the amount of \$18,000,000. It has been determined that there is an unobligated balance from fiscal year 1964 under this head of \$1,200,000. In reappropriating the unobligated balances the House has in effect provided this program with a total of \$19,200,000. The committee recommends new funds in the amount of \$16,800,000 which, when added to the unobligated balance of \$1,200,000, will provide the program with the full amount contained in the budget estimate.

The sum of \$18,000,000 includes \$1,100,000 in local currency for assistance to 11 American schools and hospitals abroad, and \$16,900,000 in U.S. dollars. The largest share (\$10,500,000) is for the Medical Center of the American University of Beirut to provide a modern patient care facility. Combined with the clinical teaching, research, and outpatient facilities previously financed by a \$5,000,000 U.S. grant, these funds will create the most modern medical center in the Middle East.

The sum also includes \$1,100,000 of local currency for use by the American University in Cairo, and \$1,500,000 in assistance for Project Hope. The remaining \$4,900,000 will be allocated among Robert College, the American Farm School, Athens College, Pierce College, Anatolia College, the Escuela Agricola Panamericana, Admiral Bristol Hospital, and the American University at Beirut.

## SURVEYS OF INVESTMENT OPPORTUNITIES

1965 budget estimate, revised-----	\$2,100,000
House allowance-----	2,100,000
Committee recommendation-----	1,600,000

The House of Representatives recommended an appropriation of \$2,100,000 which, together with unobligated balances and recoveries allowed by the House bill, would provide a program of \$2,900,000. The administration program request consists of new funds in the amount of \$2,100,000 and an estimated recovery of prior-year funds in the amount of \$300,000 for a total program of \$2,400,000.

The committee recommends an appropriation of \$1,600,000 which, together with the recently determined unobligated carryover of \$500,000 and estimated recoveries of \$300,000, will finance the full program of \$2,400,000 requested by the administration.

Under the investment survey program, the Agency for International Development may agree to pay up to one-half of the cost of investment surveys undertaken by prospective U.S. investors. If the survey results in an investment, the investor pays the full cost of the survey. If, after a reasonable time the prospective investor decides not to invest, AID pays the agreed portion of the cost, takes title to the survey, and makes it available to any other potential investor in the United States.

The committee was informed that this program is attracting increasing interest among prospective investors, and is proving to be an effective instrument for the infusion of private investment in some of the underdeveloped countries.

## INTERNATIONAL ORGANIZATIONS AND PROGRAMS

1964 appropriation.....	\$116, 000, 000
1965 budget estimate, revised.....	134, 400, 000
House allowance.....	134, 272, 400
Committee recommendation.....	134, 272, 400

The committee recommends an appropriation of \$134,272,400 for this item, which is \$127,600 less than the budget estimate but the same as the House allowance.

These funds will permit the continued participation of the United States in the following United Nations and other international programs:

1. U.N. Expanded Program of Technical Assistance and Special Fund.....	\$60, 000, 000
2. U.N. Technical and Operational Assistance to the Congo.....	5, 000, 000
3. U.N. Emergency Force (Near East).....	850, 000
4. U.N. Relief and Works Agency for Palestine Refugees.....	16, 000, 000
5. U.N. Children's Fund.....	12, 000, 000
6. U.N. Food and Agricultural Organization World Food Program..	2, 300, 000
7. International Atomic Energy Operational Program.....	1, 100, 000
8. Indus Basin Development Fund.....	37, 000, 000
9. International Peace Corps Secretariat.....	22, 400
Total.....	134, 272, 400

In making the amount of \$22,400 available for the International Peace Corps Secretariat, it is the intention of the committee to express its agreement with the House, as set forth in its report accompanying the authorization bill, that the Secretariat should only serve as an informational clearinghouse, and that the contribution of the United States should be provided on a 40-percent basis, not to exceed this amount.

## SUPPORTING ASSISTANCE

1964 appropriation.....	\$330, 000, 000
1965 budget estimate, revised.....	405, 000, 000
House allowance.....	405, 000, 000
Committee recommendation.....	401, 000, 000

The committee recommends an appropriation of \$401,000,000, which is a reduction of \$4,000,000 under the revised budget estimate and the House bill.

The request of the administration for this program is \$418,600,000, consisting of \$405,000,000 in new funds and \$13,600,000 in carryover funds and deobligations. In recommending an appropriation of \$401,000,000, the committee notes that \$17,600,000 will be available in unobligated funds and in deobligations rather than the lower figure originally estimated of \$13,600,000.

The funds provided in this appropriation will be channeled to help those less-developed countries, where aid is needed in the establishment of their external and internal security, and to promote the major purposes in support of U.S. policy in those nations, among which are the maintenance of larger armed forces for the common defense, preservation of reasonable economic stability in critical situations, encouraging independence from bloc dominance in sensitive areas, and assuring access to strategic U.S. military bases. In this fiscal year more than 80 percent of these funds are programed for the countries of Vietnam, Korea, Laos, and Jordan.

## CONTINGENCY FUND

1964 appropriation.....	\$50, 000, 000
1965 budget estimate, revised.....	150, 000, 000
House allowance.....	150, 000, 000
Committee recommendation.....	149, 200, 000

The committee recommends an appropriation of \$149,200,000, a reduction of \$800,000 under the budget estimate and the House allowance for the contingency fund.

The request of the administration is in the exact amount of \$150,000,000. It has now been determined that \$800,000 in unobligated funds will be available. Consequently the committee has reduced the new funds in this amount, and the bill will provide a total of new funds and unobligated balances in the amount requested by the administration of \$150,000,000.

This fund serves as a reserve to meet emergency and unforeseen assistance requirements which inevitably arise every year, and which demand an immediate and forceful response by the President. The contingency fund is frequently used for the relief of earthquake, flood, or other disasters. The availability of the fund also serves the national interest in those situations of unexpected economic or political crises where prompt aid can be essential to the protection of U.S. interests and national policy.

## ALLIANCE FOR PROGRESS

## DEVELOPMENT GRANTS

1964 appropriation.....	\$80, 000, 000
1965 budget estimate, revised.....	85, 000, 000
House allowance.....	85, 000, 000
Committee recommendation.....	84, 700, 000

The committee recommends an appropriation of \$84,700,000, which is a reduction of \$300,000 under the budget estimate and the House allowance. The administration program contemplated \$85,000,000 in new funds, plus \$3,000,000 in carryover balance for a total program of \$88,000,000. It now develops that the carryover funds will be in the amount of \$3,300,000. Consequently the committee has reduced the new funds by \$300,000, which will provide the administration with the full amount of \$88,000,000 contemplated in the program request.

The technical cooperation program is designed to develop the essential know-how, the trained manpower, and the business and other institutions lacking in the southern half of the hemisphere.

The committee is pleased to note that grants for capital items have been eliminated from this program, and it commends those responsible for this worthy accomplishment.

## ALLIANCE FOR PROGRESS

## DEVELOPMENT LOANS

1964 appropriation.....	\$375, 000, 000
1965 budget estimate, revised.....	465, 000, 000
House allowance.....	425, 000, 000
Committee allowance.....	425, 000, 000

The House recommended an appropriation of \$425,000,000, plus \$10,000,000 in estimated recoveries for a total program of \$435,000,000. The administration request is in the amount of \$482,300,000 con-

sisting of \$465,000,000 in new funds and \$17,300,000 in estimated carryover and deobligations.

The committee recommends an appropriation of \$425,000,000, together with estimated carryover and deobligations in the amount of \$10,000,000, for a total program of \$435,000,000, the same as the amount allowed by the House.

The request to utilize loan repayment was denied which accounts for the carryover in the bill being less than the carryover estimated in the administration program.

The committee was pleased to note from the testimony that there is a continuing emphasis on development loans rather than grants for the Alliance for Progress program, and further, that there appears to be a growing acceptance among Latin American leaders of the U.S position that constructive self-help and reform is necessary and desirable.

#### DEVELOPMENT LOANS

1964 appropriation.....	\$687, 300, 000
1965 budget estimate, revised.....	922, 200, 000
House allowance.....	782, 200, 000
Committee recommendation.....	773, 727, 600

The program request of the administration for development loans is in the amount of \$960,200,000. This sum consists of \$922,200,000 in new funds, plus carryover and deobligations of \$38,000,000. The House approved a total of \$807,200,000, made up of \$782,200,000 in new funds and \$25,000,000 in carryover and deobligations.

The committee recommends an appropriation of \$773,727,600 in new funds and \$25,000,000 in estimated carryover and deobligations for a total of \$798,727,600, which is \$8,472,400 under the amount provided by the House.

Development loans are the central core of the U.S. aid program. They promote the basic aim of the program; namely, the long-term economic development of the recipient nations, and at the same time force those countries to employ the strength-building and pride-engendering concept of self-help.

The Budget program, on a regional basis, follows:

Region:	<i>Fiscal year 1965 program</i>
Near East and south Asia.....	\$785, 000, 000
Far East.....	70, 000, 000
Africa.....	105, 000, 000
Nonregional.....	200, 000
Total.....	960, 200, 000

#### AGENCY FOR INTERNATIONAL DEVELOPMENT

##### ADMINISTRATIVE EXPENSES

1964 appropriation.....	\$50, 000, 000
1965 budget estimate, revised.....	52, 500, 000
House allowance.....	52, 500, 000
Committee recommendation.....	51, 200, 000

The committee recommends an appropriation of \$51,200,000 for administrative expenses of the Agency for International Development,

which is \$1,300,000 under the House allowance. The program requirements under this head were estimated at \$53,500,000 consisting of \$52,500,000 in new funds and \$1,000,000 in estimated unobligated balances. It has now been determined that the unobligated balance will be \$2,300,000, and accordingly the committee has reduced the new funds in this appropriation by the difference, or \$1,300,000. The recommendation of the committee will provide the full amount requested by the administration for AID administrative expenses.

## STATE DEPARTMENT

## ADMINISTRATIVE EXPENSES

1964 appropriation-----	\$2, 700, 000
1965 budget estimate, revised-----	2, 900, 000
House allowance-----	2, 900, 000
Committee recommendation-----	2, 900, 000

The committee recommends an appropriation of \$2,900,000 for this item, which is the amount of the budget estimate and the House allowance.

These funds are required to finance the administrative expenses incurred by the State Department in connection with its responsibilities in the administration of the Mutual Defense Control Act, and in support of the U.S. mission to the North Atlantic Treaty Organization and European regional operations.

## MILITARY ASSISTANCE

1964 appropriation-----	\$1, 000, 000, 000
1965 budget estimate, revised-----	1, 055, 000, 000
House allowance-----	1, 055, 000, 000
Committee recommendation-----	1, 055, 000, 000

The committee recommends an appropriation of \$1,055,000,000, which is the same as the budget estimate and the House allowance. It is estimated that there will be available, in addition to the new funds, a total of \$86,600,000 in unobligated balances and deobligated funds to provide a total military assistance program of \$1,141,600,000.

The military assistance program is designed to assist other nations in meeting the threat of external aggression as well as internal subversion. In southeast Asia and the Far East, the program is of special importance, as many of the countries in these areas face a carefully planned combination of subversion and outright attack. In south Vietnam, intensified Viet Cong terrorist action has necessitated an upward revision by \$125 million in the original fiscal year 1965 budget request for economic and military assistance. Of this, \$55 million is needed for the military assistance program.

The military assistance program also augments the security of the United States by helping to insure continued access to those overseas installations which are vital to the effective deployment of American military strength. Of further importance is the fact that the program contributes to the political objectives of the United States through its training in this country of many present and future foreign military leaders of other nations.

## TITLE II—FOREIGN ASSISTANCE (OTHER)

## FUNDS APPROPRIATED TO THE PRESIDENT

## PEACE CORPS

1964 appropriation.....	\$92, 100, 000
1965 budget estimate, revised.....	106, 100, 000
House allowance.....	87, 100, 000
Committee recommendation.....	87, 100, 000

For the Peace Corps, the committee recommends an appropriation of \$87,100,000, which is the same as the House allowance. The committee has increased the limitation on the amount which shall be available for administrative expenses from the \$20,500,000 allowance by the House, to \$20,850,000. The House bill reappropriated \$17,000,000 of unobligated balances, and the committee concurs in this recommendation. Under the committee bill a total of \$104,-100,000 is made available for the program.

The purposes of the Peace Corps are to provide trained Americans to interested countries in need of middle-level manpower and to promote understanding between the people of the United States and the people served. It is estimated that a total of 10,000 volunteers will be in service at the beginning of the program year, and that this figure will approximate 14,000 volunteers at the end of the program year.

## DEPARTMENT OF THE ARMY

## RYUKYU ISLANDS

1964 appropriation.....	\$10, 000, 000
1965 budget estimate, revised.....	14, 441, 000
House allowance.....	14, 441, 000
Committee recommendation.....	14, 441, 000

For administration of the Ryukyu Islands, the committee recommends an appropriation of \$14,441,000, the full amount of the budget estimate and the amount allowed by the House.

The Budget proposed the following programs for the administration of the Ryukyu Islands in fiscal year 1965:

Purpose of projects:	<i>Estimate, fiscal year 1965</i>
Administrative activities.....	\$2, 441, 000
Pay of civilian employees.....	1, 954, 000
Travel of civilian employees.....	150, 000
Information materials and services.....	150, 000
Operating expenses.....	187, 000
Aid to Ryukyuan economy.....	12, 000, 000
Reimbursement for Government services.....	1, 200, 000
Contribution to Government projects.....	5, 710, 000
Transportation of commodities.....	5, 000
Technical education and training.....	735, 000
Technical cooperation.....	350, 000
Construction of water system.....	4, 000, 000
Total.....	14, 441, 000

The Ryukyu Islands, by treaty with Japan, are, for an indefinite period, under the absolute control of the United States. The United States has important military bases there—with an estimated value of over \$1 billion—which are vital to the free world as long as conditions

of threat and tension exist. With this authority goes responsibility for the economic and social betterment of the Ryukyuan people. The economic budget program of \$12,000,000 to meet this responsibility will finance educational facilities, public health programs, public safety and social welfare facilities, and public works and economic development projects.

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

### SOCIAL SECURITY ADMINISTRATION

#### ASSISTANCE TO REFUGEES IN THE UNITED STATES

1964 appropriation.....	\$39,717,137
1965 budget estimate, revised.....	45,400,000
House allowance.....	45,400,000
Committee recommendation.....	34,800,000

The committee recommends an appropriation of \$34,800,000 for assistance to refugees in the United States. This amount is \$10,600,000 under the House bill and the same amount under the budget estimate. In addition, the committee has included in the bill language which will authorize the use of unobligated balances in the amount \$7,600,000. The sum provided by the committee, therefore, is \$42,400,000. Testimony before the committee indicated that \$3,000,000 had been included in the budget estimate as a surplus for contingencies which might occur during the year. The committee is of the opinion that, should these contingencies develop, a supplemental request can be considered at a later date.

There was a misunderstanding last year and again this year as to whether unobligated balances continue available under this program. To avoid this in the future, the committee has included language in the bill making it clear that appropriations for assistance to refugee programs are available only for the year for which appropriated, and do not remain available until expended.

## DEPARTMENT OF STATE

### MIGRATION AND REFUGEE ASSISTANCE

1964 appropriation.....	\$10,550,000
1965 budget estimate, revised.....	8,200,000
House allowance.....	8,200,000
Committee recommendation.....	8,200,000

For migration and refugee assistance, Department of State, the committee recommends \$8,200,000, which is the amount of the budget estimate and of the House bill.

Program	1963 actual	1964 estimate	1965 estimate
1. Contributions to Intergovernmental Committee for European Migration.....	\$7,902	\$5,500	\$5,000
2. Contributions to program of United Nations High Commissioner for Refugees.....	900	750	500
3. Refugees from European Communist countries.....	1,004	1,250	1,000
4. Refugees from Communist China.....	2,100	2,000	730
5. Tibetan refugees.....	432	400	350
6. Administration.....	666	650	620
Total.....	13,004	10,550	8,200

## FUNDS APPROPRIATED TO THE PRESIDENT

## INTER-AMERICAN DEVELOPMENT BANK

1964 appropriation.....	\$50,000,000
1965 budget estimate, revised.....	205,880,000
House allowance.....	205,880,000
Committee allowance.....	205,880,000

For the Inter-American Development Bank, the committee recommends \$205,880,000, which is the amount of the budget estimate and the amount allowed in the House bill.

Public Law 88-259, approved January 22, 1964, provided for increased United States participation in the Inter-American Development Bank and authorized \$461,760,000 for this purpose. Against this authorization the Congress appropriated \$50,000,000 in the fiscal year 1964 Foreign Aid Appropriation Act. This estimate of \$205,880,000 is one-half of the proposed \$411,760,000 share of the United States in the increased callable capital stock of the Bank. The estimate for the balance of the authorization, \$205,880,000 will probably be contained in the fiscal year 1966 budget. Testimony indicated that it is highly unlikely that the recommended appropriation of \$205,880,000 would be paid out as an actual cash expenditure of the Treasury. Callable capital of the Bank represents an effective guarantee of the member governments for its obligations and thus permits the Bank to raise funds in the private capital markets.

## INTERNATIONAL DEVELOPMENT ASSOCIATION

1964 appropriation.....	\$61,656,000
1965 budget estimate, revised.....	61,656,000
House allowance.....	61,656,000
Committee recommendation.....	61,656,000

The committee concurs in the House allowance of \$61,656,000 for this item, which is the same as the 1964 appropriation and the estimate for the current fiscal year.

The International Development Association is an international organization, affiliated with the International Bank for Reconstruction and Development, designed to provide development financing with long-term maturities at a nominal service charge for its less-developed member countries.

As of December 31, 1963, the Association had made credit commitments totaling \$577 million in 20 countries and territories. As of the same date, membership in the Association, which is open to all members of the International Bank, totaled 90 countries, with subscriptions aggregating \$984 million, of which approximately \$767 million is payable in hard currencies.

IDA's credits are repayable in dollars or other convertible foreign exchange, not in the borrower's own local currency. They are made for a term of 50 years, with repayment commencing after a 10-year period of grace. Thereafter, 1 percent per annum of the principal is to be repaid for 10 years, while in the remaining 30 years of the credit 3 percent of principal is to be repaid annually. No interest is charged on the credit, but a service charge of three-fourths to 1 percent annually is made on amounts disbursed and outstanding in order to provide IDA with funds to help meet its administrative costs.

**TITLE III—EXPORT-IMPORT BANK OF WASHINGTON****LIMITATION ON OPERATING EXPENSES**

1964 appropriation.....	(\$1, 314, 366, 000)
1965 budget estimate, revised.....	(1, 350, 060, 000)
House allowance.....	(1, 350, 060, 000)
Committee recommendation.....	(1, 350, 060, 000)

The committee concurs in the House action in placing a limitation of \$1,350,060,000 on the program of the Export-Import Bank of Washington for the current fiscal year.

**LIMITATION ON ADMINISTRATIVE EXPENSES**

1964 appropriation.....	(\$3, 500, 000)
1965 budget estimate, revised.....	(3, 781, 000)
House allowance.....	(3, 781, 000)
Committee recommendation.....	(3, 781, 000)

For the limitation on administrative expenses, the committee concurs in the House allowance of \$3,781,000.

**LANGUAGE PROVISIONS****HOUSE RESTRICTION ON USE OF \$300 MILLION**

Language was included in the bill in the House providing that \$300 million of the funds available under title I shall be available for obligation only through the apportionment review and approval procedure prescribed by law as may be determined by the President to meet the cost of additional authorized projects. The committee has amended this language to include the words "or programs" after the word "projects" in order to clarify the amendment.

Since a substantial part of economic assistance is not provided on a project basis, the language change affected by the committee will allow the funds to cover projects and programs parallel to other sections of the legislation.

**SECTION 103—LIMITATION DURING LAST MONTH OF AVAILABILITY**

For several years the appropriation bill for foreign aid has limited the amount which may be available for obligation during the last month of the fiscal year to not more than 20 percent of any appropriation item, excluding development loans and the contingency fund. Since the item "Alliance for Progress-Development Loans," is for the identical purposes as development loans for other areas of the world, the words "Alliance for Progress-Development Loans" have been included in this paragraph under the exception clause.

**SECTION 108—REPORTS ON OFFSHORE PROCUREMENT**

The following provision has been included in the bill for several years:

SEC. 108. Any obligation made from funds provided in this title for procurement outside the United States of any commodity in bulk and in excess of \$100,000 shall be re-

ported to the Committees on Appropriations of the Senate and the House of Representatives at least twice annually: *Provided*, That each such report shall state the reasons for which the President determined, pursuant to criteria set forth in section 604(a) of the Foreign Assistance Act of 1961, as amended, that foreign procurement will not adversely affect the economy of the United States.

No reports have ever been submitted to Congress under this provision inasmuch as the Administration states the language is not meaningful. Accordingly, the word "obligation" in the section has been changed to "expenditure" in order to render the reports meaningful.

In order to state accurately the criteria set forth in section 604(a) of the Foreign Assistance Act, the words "adversely affect the economy of the United States" have been deleted, and the following words have been substituted therefor:

*result in adverse effects upon the economy of the United States or the industrial mobilization base which outweigh the economic or other advantages to United States of less costly procurement outside the United States.*

#### SECTION 113—LIMITATION ON USE OF FUNDS FOR RESEARCH

The committee has increased the limitation placed on the use of funds in section 113 of the bill by the House, from \$6,000,000 to \$15,000,000, an increase of \$9,000,000.

The administration estimated the sum of \$15,000,000 for research and analysis in fiscal year 1965, such sum being included in the funds requested for technical cooperation and development grants. This program is directed toward a better understanding of the development processes, discovery of improved techniques, arriving at the proper equipment and procedures to promote development, and the improvement of methods to assess the results of AID project proposals. Research and analysis proposals are screened on the basis of their relevance and importance, and their scientific soundness, and are thoroughly checked to avoid duplication of effort. Extensive use is made of expert consultants in other Government agencies and in the research community. The increase in the limitation to \$15,000,000 will permit the research program to continue current projects and initiate new ones. Research projects now underway include, for example, studies of direct tropical soils in Latin America and Africa, improvement of cereal crops in Africa, more effective malaria eradication methods, and new techniques for teaching English as a second language.

#### VALIDATING CLAUSE

The following provision has been included in the bill by the committee:

*SEC. 404. The appropriations, funds, other authorizations, and authority with respect thereto in this Act shall be available from October 1, 1964, for the purposes provided in such appropriations, funds, other authorizations, and authority. All obligations incurred during the period between September 30, 1964,*

*and the date of enactment of this Act in anticipation of such appropriations, funds, other authorizations, and authority are hereby ratified and confirmed if in accordance with the terms thereof.*

The continuing resolution expires September 30, 1964; therefore this amendment has been included in the bill to validate obligations for the period October 1, 1964, until the date of enactment of this appropriations bill.

#### UNAUTHORIZED REPRODUCTION OF AMERICAN BOOKS AND RECORDINGS

The committee's concern, expressed in its reports several times, regarding the problem of unauthorized reproductions of American copyrighted books in Nationalist China, has been intensified by the testimony before it this year, which indicates that this practice has not only continued, but that a similar practice with respect to American recordings is also prevalent in the country in question.

The committee deeply regrets that these circumstances prevail notwithstanding the efforts of the State Department to cause a cessation of the practices. The committee is of the opinion that the Nationalist Government of China should cooperate in an effort to recognize the rights of American publishers of books and recordings, notwithstanding its registration laws, in view of the assistance this country has extended and continues to extend in its behalf.

The committee requests the State Department to continue its unrelenting efforts to protect the rights of American companies.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1964, AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1965

TITLE I—FOREIGN ASSISTANCE

H.Doc. No.	Item	Appropriations, 1964	Budget esti- mates, 1965 <sup>1</sup>	Recommended in House bill for 1965	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate bill compared with—		
						Appropriations, 1964	Budget esti- mates, 1965	House bill
	FUNDS APPROPRIATED TO THE PRESIDENT							
	ECONOMIC ASSISTANCE							
240	Development grants.....	\$155,000,000	\$224,600,000	\$204,600,000	\$204,600,000	+\$49,600,000	—\$20,000,000	-----
285	American schools and hospitals abroad.....	14,300,000	18,000,000	18,000,000	16,800,000	+2,500,000	—1,200,000	—\$1,200,000
	American hospitals abroad (special foreign currency program).....	4,700,000	-----	-----	0	—4,700,000	-----	-----
	Surveys of investment opportunities.....	-----	2,100,000	2,100,000	1,600,000	+1,600,000	—500,000	—500,000
285	International organizations and programs.....	116,000,000	134,400,000	134,272,400	134,272,400	+18,272,400	—127,600	-----
305	Supporting assistance.....	330,000,000	405,000,000	405,000,000	401,000,000	+71,000,000	—4,000,000	—4,000,000
	Contingency fund.....	50,000,000	150,000,000	150,000,000	149,200,000	+99,200,000	—800,000	—800,000
	Inter-American social and economic cooperation pro- gram.....	135,000,000	-----	-----	-----	—135,000,000	-----	-----
	Alliance for Progress:							
	Development grants.....	80,000,000	85,000,000	85,000,000	84,700,000	+4,700,000	—300,000	—300,000
	Development loans.....	375,000,000	465,000,000	425,000,000	425,000,000	+50,000,000	—40,000,000	-----

285	Development loans-----	687,300,000	922,200,000	782,200,000	773,727,600	+86,427,600	-148,472,400	-8,472,400
285	Administrative expenses, AID-----	50,000,000	52,500,000	52,500,000	51,200,000	+1,200,000	-1,300,000	-1,300,000
	Administrative expenses, State-----	2,700,000	2,900,000	2,900,000	2,900,000	+200,000	-----	-----
	Subtotal, economic assistance-----	2,000,000,000	2,461,700,000	2,261,572,400	2,245,000,000	+245,000,000	-216,700,000	-16,572,400
	MILITARY ASSISTANCE							
285 and 305	Military assistance-----	1,000,000,000	1,055,000,000	1,055,000,000	1,055,000,000	+55,000,000	-----	-----
	Limitation on administrative expenses-----	(24,000,000)	(23,500,000)	(23,500,000)	(23,500,000)	(-500,000)	-----	-----
	Total, title I, foreign assistance-----	3,000,000,000	3,516,700,000	3,316,572,400	3,300,000,000	+300,000,000	-216,700,000	-16,572,400

<sup>1</sup> House document 266, dated Jan. 21, 1964, unless otherwise indicated.

*Comparative statement of appropriations for 1964, and estimates and amounts recommended in bill for 1965—Continued*

**TITLE II—FOREIGN ASSISTANCE (OTHER)**

H. Doc. No.	Item	Appropriations, 1964	Budget esti- mates, 1965 <sup>1</sup>	Recommended in House bill for 1965	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—			
						Appropriations, 1964	Budget esti- mates, 1965	House bill	
240 and 306	FUNDS APPROPRIATED TO THE PRESIDENT								
	Peace Corps.....	\$92, 100, 000	\$106, 100, 000	\$87, 100, 000 (17, 000, 000)	\$87, 100, 000 (17, 000, 000)	—\$5, 000, 000 (+17, 000, 000)	—\$19, 000, 000 (+17, 000, 000)	-----	
	Reappropriation.....							-----	
	DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS								
	Ryukyu Islands, Army, administration.....	10, 000, 000	14, 441, 000	14, 441, 000	14, 441, 000	+4, 441, 000		-----	
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE								
	Assistance to refugees in the United States.....	39, 717, 137	45, 400, 000	45, 400, 000	34, 800, 000 (7, 600, 000)	—4, 917, 137 (+7, 600, 000)	—10, 600, 000 (+7, 600, 000)	-----	
	Reappropriation.....							-----	
	DEPARTMENT OF STATE								
	Migrants and refugees.....	10, 550, 000	8, 200, 000	8, 200, 000	8, 200, 000	—2, 350, 000		-----	
	FUNDS APPROPRIATED TO THE PRESIDENT								
	Inter-American Development Bank.....	50, 000, 000	205, 880, 000	205, 880, 000	205, 880, 000	+155, 880, 000		-----	
	International Development Association.....	61, 656, 000	61, 656, 000	61, 656, 000	61, 656, 000			-----	
	Total, title II, foreign assistance (other).....	264, 023, 137	441, 677, 000	422, 677, 000	412, 077, 000	+148, 053, 863	—29, 600, 000	—10, 600, 000	

**TITLE III—EXPORT-IMPORT BANK OF WASHINGTON**

240	Limitation on operating expenses.....	(\$1, 514, 566, 000)	(\$1, 350, 060, 000)	(\$1, 550, 000, 000)	(\$1, 550, 060, 000)	(+ \$55, 694, 000)	-----	-----
	Limitation on administrative expenses.....	(5, 600, 000)	(3, 781, 000)	(3, 781, 000)	(3, 781, 000)	(+281, 000)	-----	-----
	Total, title III, Export-Import Bank.....	(1, 517, 866, 000)	(1, 553, 841, 000)	(1, 553, 841, 000)	(1, 553, 841, 000)	(+35, 975, 000)	-----	-----
	Grand total, all titles.....	3, 264, 023, 137	3, 958, 377, 000	3, 739, 249, 400	3, 712, 077, 000	+448, 053, 863	—\$246, 300, 000	—\$27, 172, 400

<sup>1</sup> House document 256, dated Jan. 21, 1964, unless otherwise indicated.

Calendar No. 1545

88TH CONGRESS  
2D SESSION

# H. R. 11812

[Report No. 1605]

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IN THE SENATE OF THE UNITED STATES

JULY 2, 1964

Read twice and referred to the Committee on Appropriations

SEPTEMBER 29, 1964

Reported by Mr. PASTORE, with amendments

[Omit the part struck through and insert the part printed in italic]

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## AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1965, namely:

6               TITLE I—FOREIGN ASSISTANCE

7               FUNDS APPROPRIATED TO THE PRESIDENT

8       For expenses necessary to enable the President to carry  
9       out the provisions of the Foreign Assistance Act of 1961,  
10      as amended, to remain available until June 30, 1965, unless  
11      otherwise specified herein, as follows:

## 1 ECONOMIC ASSISTANCE

2 ~~Development grants~~ *Technical cooperation and develop-*  
3 *ment grants:* For expenses authorized by section 212,  
4 \$204,600,000.

5 American schools and hospitals abroad: For expenses  
6 authorized by section 214 (c) , ~~\$18,000,000~~ \$16,800,000.

7 Surveys of investment opportunities: For expenses  
8 authorized by section 232, ~~\$2,100,000~~ \$1,600,000.

9 International organizations and programs: For expenses  
10 authorized by section 302, \$134,272,400.

11 Supporting assistance: For expenses authorized by sec-  
12 tion 402, ~~\$405,000,000~~ \$401,000,000.

13 Contingency fund: For expenses authorized by section  
14 451 (a) , ~~\$150,000,000~~ \$149,200,000.

15 Alliance for Progress, development grants: For expenses  
16 authorized by section 252, ~~\$85,000,000~~ \$84,700,000.

17 Alliance for Progress, development loans: For assist-  
18 ance authorized by section 252, \$425,000,000, to remain  
19 available until expended.

20 Development loans: For expenses authorized by section  
21 202 (a) , ~~\$782,200,000~~ \$773,727,600, to remain available  
22 until expended: *Provided*, That no part of this appropriation  
23 may be used to carry out the provisions of section 205 of the  
24 Foreign Assistance Act of 1961, as amended.

1       Administrative expenses: For expenses authorized by  
2 section 637 (a) , ~~\$52,500,000~~ \$51,200,000.

3       Administrative and other expenses: For expenses  
4 authorized by section 637 (b) of the Foreign Assistance Act  
5 of 1961, as amended, and by section 305 of the Mutual  
6 Defense Assistance Control Act of 1951, as amended,  
7 \$2,900,000.

8       Unobligated balances as of June 30, 1964, of funds  
9 heretofore made available under the authority of the Foreign  
10 Assistance Act of 1961, as amended, except as otherwise  
11 provided by law, are hereby continued available for the fiscal  
12 year 1965, for the same general purposes for which appro-  
13 priated and amounts certified pursuant to section 1311 of the  
14 Supplemental Appropriation Act, 1955, as having been  
15 obligated against appropriations heretofore made under the  
16 authority of the Mutual Security Act of 1954, as amended,  
17 and the Foreign Assistance Act of 1961, as amended, for  
18 the same general purpose as any of the subparagraphs under  
19 "Economic Assistance," are hereby continued available for  
20 the same period as the respective appropriations in such sub-  
21 paragraphs for the same general purpose: *Provided*, That  
22 such purpose relates to a **project** or program previously jus-  
23 tified to Congress and the Committees on Appropriations of  
24 the House of Representatives and the Senate are notified

1 prior to the reobligation of funds for such projects or  
2 programs.

3 Of the foregoing amounts for economic assistance,  
4 \$300,000,000 shall be available for obligation only through  
5 the apportionment review and approval procedure prescribed  
6 by law in such amounts and at such times as may be deter-  
7 mined by the President in the national interest that funds  
8 otherwise available for the purposes of programs under this  
9 title are insufficient to meet the cost of additional authorized  
10 projects *or programs*.

#### 11 MILITARY ASSISTANCE

12 Military assistance: For expenses authorized by section  
13 504 (a) of the Foreign Assistance Act of 1961, as amended,  
14 including administrative expenses authorized by section  
15 636 (g) (1) of such Act, which shall not exceed \$23,500,-  
16 000 for the current fiscal year, and purchase of passenger  
17 motor vehicles for replacement only for use outside the United  
18 States: *Provided*, That none of the funds contained in this  
19 paragraph shall be available for the purchase of new auto-  
20 motive vehicles outside of the United States, \$1,055,000,-  
21 000.

#### 22 GENERAL PROVISIONS

23 SEC. 101. None of the funds herein appropriated  
24 (other than funds appropriated under the authorization for  
25 "International organizations and programs") shall be used

1 to finance the construction of any new flood control, reclama-  
2 tion, or other water or related land resource project or  
3 program which has not met the standards and criteria used  
4 in determining the feasibility of flood control, reclamation  
5 and other water and related land resource programs and  
6 projects proposed for construction within the United States  
7 of America as per memorandum of the President dated May  
8 15, 1962.

9 SEC. 102. Obligations made from funds herein appro-  
10 priated for engineering and architectural fees and services  
11 to any individual or group of engineering and architectural  
12 firms on any one project in excess of \$25,000 shall be re-  
13 ported to the Committees on Appropriations of the Senate  
14 and House of Representatives at least twice annually.

15 SEC. 103. Except for the appropriations entitled  
16 "Contingency fund", "*Alliance for Progress, development*  
17 *loans*", and "Development loans", not more than 20 per  
18 centum of any appropriation item made available by this  
19 title shall be obligated and/or reserved during the last  
20 month of availability.

21 SEC. 104. None of the funds herein appropriated nor  
22 any of the counterpart funds generated as a result of assist-  
23 ance hereunder or any prior Act shall be used to pay pen-  
24 sions, annuities, retirement pay or adjusted service com-

1    pensation for any persons heretofore or hereafter serving  
2    in the armed forces of any recipient country.

3       SEC. 105. The Congress hereby reiterates its opposi-  
4    tion to the seating in the United Nations of the Communist  
5    China regime as the representative of China, and it is hereby  
6    declared to be the continuing sense of the Congress that the  
7    Communist regime in China has not demonstrated its will-  
8    ingness to fulfill the obligations contained in the Charter of  
9    the United Nations and should not be recognized to repre-  
10   sent China in the United Nations. In the event of the  
11   seating of representatives of the Chinese Communist regime  
12   in the Security Council or General Assembly of the United  
13   Nations the President is requested to inform the Congress  
14   insofar as is compatible with the requirements of national  
15   security, of the implications of this action upon the foreign  
16   policy of the United States and our foreign relationships,  
17   including that created by membership in the United Nations,  
18   together with any recommendations which he may have  
19   with respect to the matter.

20       SEC. 106. It is the sense of Congress that any attempt  
21   by foreign nations to create distinctions because of their  
22   race or religion among American citizens in the granting of  
23   personal or commercial access or any other rights otherwise  
24   available to United States citizens generally is repugnant  
25   to our principles; and in all negotiations between the United

1 States and any foreign state arising as a result of funds  
2 appropriated under this title these principles shall be applied  
3 as the President may determine.

4 SEC. 107. (a) No assistance shall be furnished under  
5 the Foreign Assistance Act of 1961, as amended, to any  
6 country which sells, furnishes, or permits any ships under  
7 its registry to carry to Cuba, so long as it is governed by the  
8 Castro regime, in addition to those items contained on the  
9 list maintained by the Administrator pursuant to title I of  
10 the Mutual Defense Assistance Control Act of 1951, as  
11 amended, any arms, ammunition, implements of war, atomic  
12 energy materials, or any other articles, materials, or sup-  
13 plies of primary strategic significance used in the production  
14 of arms, ammunition, and implements of war or of strategic  
15 significance to the conduct of war, including petroleum  
16 products.

17 (b) No economic assistance shall be furnished under  
18 the Foreign Assistance Act of 1961, as amended, to any  
19 country which sells, furnishes, or permits any ships under  
20 its registry to carry items of economic assistance to Cuba,  
21 so long as it is governed by the Castro regime, unless the  
22 President determines that the withholding of such assistance  
23 would be contrary to the national interest and reports such  
24 determination to the Foreign Relations and Appropriations  
25 Committees of the Senate and the Foreign Affairs and Ap-

1 appropriations Committees of the House of Representatives.  
2 Reports made pursuant to this subsection shall be published  
3 in the Federal Register within seven days of submission to  
4 the committees and shall contain a statement by the Presi-  
5 dent of the reasons for such determination.

6 SEC. 108. Any ~~obligation~~ *expenditure* made from funds  
7 provided in this title for procurement outside the United  
8 States of any commodity in bulk and in excess of \$100,000  
9 shall be reported to the Committees on Appropriations of the  
10 Senate and the House of Representatives at least twice an-  
11 nually: *Provided*, That each such report shall state the rea-  
12 sons for which the President determined, pursuant to criteria  
13 set forth in section 604 (a) of the Foreign Assistance Act of  
14 1961, as amended, that foreign procurement will not ad-  
15 ~~versely affect the economy of the United States~~ *result in ad-*  
16 *verse effects upon the economy of the United States or the in-*  
17 *dustrial mobilization base which outweigh the economic or*  
18 *other advantages to United States of less costly procurement*  
19 *outside the United States.*

20 SEC. 109. (a) No assistance shall be furnished to any  
21 nation, whose government is based upon that theory of gov-  
22 ernment known as communism under the Foreign Assistance  
23 Act of 1961, as amended, for any arms, ammunition, imple-  
24 ments of war, atomic energy materials, or any articles, mate-  
25 rials, or supplies, such as petroleum, transportation materials

1 of strategic value, and items of primary strategic significance  
2 used in the production of arms, ammunition, and implements  
3 of war, contained on the list maintained by the Administra-  
4 tor pursuant to title I of the Mutual Defense Assistance Con-  
5 trol Act of 1951, as amended.

6 (b) No economic assistance shall be furnished to any  
7 nation whose government is based upon that theory of gov-  
8 ernment known as communism under the Foreign Assistance  
9 Act of 1961, as amended (except section 214 (b) ), unless  
10 the President determines that the withholding of such assist-  
11 ance would be contrary to the national interest and reports  
12 such determination to the Foreign Affairs and Appropriations  
13 Committees of the House of Representatives and Foreign  
14 Relations and Appropriations Committees of the Senate.  
15 Reports made pursuant to this subsection shall be published  
16 in the Federal Register within seven days of submission to  
17 the committees and shall contain a statement by the Presi-  
18 dent of the reasons for such determination.

19 SEC. 110. None of the funds appropriated or made  
20 available pursuant to this Act for carrying out the Foreign  
21 Assistance Act of 1961, as amended, may be used for making  
22 payments on any contract for procurement to which the  
23 United States is a party entered into after the date of enact-  
24 ment of this Act which does not contain a provision author-

1 izing the termination of such contract for the convenience  
2 of the United States.

3 SEC. 111. None of the funds appropriated or made  
4 available under this Act for carrying out the Foreign Assist-  
5 ance Act of 1961, as amended, may be used to make pay-  
6 ments with respect to any contract for the performance of  
7 services outside the United States by United States citizens  
8 where such citizens have not been investigated for loyalty  
9 and security in the same manner and to the same extent  
10 as would apply if they were regularly employed by the  
11 United States.

12 SEC. 112. None of the funds appropriated or made  
13 available under this Act for carrying out the Foreign Assist-  
14 ance Act of 1961, as amended, may be used to make pay-  
15 ments with respect to any capital project financed by loans  
16 or grants from the United States where the United States has  
17 not directly approved the terms of the contracts and the firms  
18 to provide engineering, procurement, and construction serv-  
19 ices on such projects.

20 SEC. 113. Of the funds appropriated or made available  
21 pursuant to this Act not more than ~~\$6,000,000~~ \$15,000,000  
22 may be used during the fiscal year ending June 30, 1965,  
23 in carrying out section 241 of the Foreign Assistance Act  
24 of 1961, as amended.

25 SEC. 114. None of the funds appropriated or made

1 available pursuant to this Act for carrying out the Foreign  
2 Assistance Act of 1961, as amended, may be used to pay in  
3 whole or in part any assessments, arrearages or dues of any  
4 member of the United Nations.

5 SEC. 115. Foreign currencies not to exceed \$200,-  
6 000, made available for loans pursuant to section 104  
7 (e) of the Agricultural Trade Development and Assistance  
8 Act of 1954, as amended, shall be available during the cur-  
9 rent fiscal year for expenses incurred incident to such loans.

10 SEC. 116. None of the administrative expense or other  
11 funds herein appropriated shall be available in connection  
12 with the use of receipts of United States dollars, derived from  
13 loan repayments and interest collections in the Development  
14 Loan Fund and Alliance for Progress revolving funds.

15 SEC. 117. None of the funds made available by this  
16 Act for carrying out the Foreign Assistance Act of 1961,  
17 as amended, may be obligated on or after April 30, 1964,  
18 for financing, in whole or in part, the direct costs of any  
19 contract for the construction of facilities and installations  
20 in any underdeveloped country, unless the President shall,  
21 on or before such date, have promulgated regulations designed  
22 to assure, to the maximum extent consistent with the national  
23 interest and the avoidance of excessive costs to the United  
24 States, that none of the funds made available by this Act  
25 and thereafter obligated shall be used to finance the direct

1 costs under such contracts for construction work performed  
 2 by persons other than qualified nationals of the recipient  
 3 country or qualified citizens of the United States: *Provided,*  
 4 *however,* That the President may waive the application of  
 5 this amendment if it is important to the national interest.

## 6 TITLE II—FOREIGN ASSISTANCE (OTHER)

### 7 FUNDS APPROPRIATED TO THE PRESIDENT

#### 8 PEACE CORPS

9 For expenses necessary to enable the President to carry  
 10 out the provisions of the Peace Corps Act (75 Stat. 612),  
 11 as amended, including purchase of not to exceed five pas-  
 12 senger motor vehicles for use outside the United States,  
 13 \$87,100,000, together with not to exceed \$17,000,000 of  
 14 funds previously appropriated which are hereby continued  
 15 available for the fiscal year 1965, of which not to exceed  
 16 ~~\$20,500,000~~ \$20,850,000 shall be available for administra-  
 17 tion and program support costs.

### 18 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

#### 19 RYUKYU ISLANDS, ARMY

#### 20 ADMINISTRATION

21 For expenses, not otherwise provided for, necessary to  
 22 meet the responsibilities and obligations of the United States  
 23 in connection with the government of the Ryukyu Islands,  
 24 as authorized by the Act of July 12, 1960 (74 Stat. 461),  
 25 as amended (76 Stat. 742) ; services as authorized by section

1 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of indi-  
2 viduals not to exceed ten in number; not to exceed \$4,000  
3 for contingencies for the High Commissioner, to be expended  
4 in his discretion; hire of passenger motor vehicles and air-  
5 craft; purchase of four passenger motor vehicles, for replace-  
6 ment only; and construction, repair, and maintenance of  
7 buildings, utilities, facilities, and appurtenances; \$14,441,-  
8 000, of which not to exceed \$2,441,000 shall be avail-  
9 able for administrative and information expenses, and  
10 \$4,000,000 shall be available for transfer to the Ryukyu  
11 Domestic Water Corporation for construction of a por-  
12 tion of the integrated island water system: *Provided*,  
13 That expenditures from this appropriation may be made  
14 outside continental United States when necessary to carry  
15 out its purposes, without regard to sections 355 and 3648,  
16 Revised Statutes, as amended, section 4774 (d) of title 10,  
17 United States Code, civil service or classification laws, or  
18 provisions of law prohibiting payment of any person not a  
19 citizen of the United States: *Provided further*, That funds  
20 appropriated hereunder may be used, insofar as practicable,  
21 and under such rules and regulations as may be prescribed  
22 by the Secretary of the Army to pay ocean transportation  
23 charges from United States ports, including territorial ports,  
24 to ports in the Ryukyus for the movement of supplies

1 donated to, or purchased by, United States voluntary non-  
2 profit relief agencies registered with and recommended by  
3 the Advisory Committee on Voluntary Foreign Aid or of  
4 relief packages consigned to individuals residing in such  
5 areas: *Provided further*, That the President may transfer to  
6 any other department or agency any function or functions  
7 provided for under this appropriation, and there shall be  
8 transferred to any such department or agency, without reim-  
9 bursement and without regard to the appropriation from  
10 which procured, such property as the Director of the Bureau  
11 of the Budget shall determine to relate primarily to any  
12 function or functions so transferred.

13 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
14 ASSISTANCE TO REFUGEES IN THE UNITED STATES

15 For expenses necessary to carry out the provisions of  
16 the Migration and Refugee Assistance Act of 1962 (Public  
17 Law 87-510), relating to aid to refugees within the United  
18 States, including hire of passenger motor vehicles, and serv-  
19 ices as authorized by section 15 of the Act of August 2,  
20 1946 (5 U.S.C. 55a), ~~\$45,400,000~~ \$34,800,000 together  
21 with the unobligated balance of the appropriation under this  
22 head for the fiscal year 1964: *Provided*, That the final  
23 sentence in section 2(e) of the Migration and Refugee Assist-  
24 ance Act of 1962 is hereby repealed.

## DEPARTMENT OF STATE

## MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide assistance to refugees, as authorized by law, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158) ; allowances as authorized by the Overseas Differentials and Allowances Act (5 U.S.C. 3031-3039) ; hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) ; \$8,200,000: *Provided*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

## FUNDS APPROPRIATED TO THE PRESIDENT

## INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For subscriptions to the Inter-American Development Bank for the first installment on the increase in callable capital stock \$205,880,000, to remain available until expended.

1       SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT  
2                                   ASSOCIATION

3       For payment of the fifth installment of the subscription  
4 of the United States to the International Development Asso-  
5 ciation, \$61,656,000, to remain available until expended.

6           TITLE III—EXPORT-IMPORT BANK OF  
7                                   WASHINGTON

8       The Export-Import Bank of Washington is hereby  
9 authorized to make such expenditures within the limits of  
10 funds and borrowing authority available to such corporation,  
11 and in accord with law, and to make such contracts and  
12 commitments without regard to fiscal year limitations as pro-  
13 vided by section 104 of the Government Corporation Con-  
14 trol Act, as amended, as may be necessary in carrying out  
15 the program set forth in the budget for the current fiscal year  
16 for such corporation, except as hereinafter provided.

17           LIMITATION ON OPERATING EXPENSES

18       Not to exceed \$1,350,060,000 (of which not to exceed  
19 \$944,000,000 shall be for long term project and equipment  
20 loans) shall be authorized during the current fiscal year for  
21 other than administrative expenses.

22           LIMITATION ON ADMINISTRATIVE EXPENSES

23       Not to exceed \$3,781,000 (to be computed on an ac-  
24 crual basis) shall be available during the current fiscal year  
25 for administrative expenses, including services as authorized

1 by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a),  
2 at rates not to exceed \$75 per diem for individuals,  
3 and not to exceed \$9,000 for entertainment allowances for  
4 members of the Board of Directors: *Provided*, That (1)  
5 fees or dues to international organizations of credit institu-  
6 tions engaged in financing foreign trade, (2) necessary ex-  
7 penses (including special services performed on a contract  
8 or fee basis, but not including other personal services) in  
9 connection with the acquisition, operation, maintenance, im-  
10 provement, or disposition of any real or personal property  
11 belonging to the Bank or in which it has an interest, includ-  
12 ing expenses of collections of pledged collateral, or the in-  
13 vestigation or appraisal of any property in respect to which  
14 an application for a loan has been made, and (3) expenses  
15 (other than internal expenses of the Bank) incurred in  
16 connection with the issuance and servicing of guarantees,  
17 insurance, and reinsurance, shall be considered as nonad-  
18 ministrative expenses for the purposes hereof.

19       None of the funds made available because of the pro-  
20 visions of this title shall be used by the Export-Import  
21 Bank to either guarantee the payment of any obligation  
22 hereafter incurred by any Communist country (as defined  
23 in section 620 (f) of the Foreign Assistance Act of 1961,  
24 as amended) or any agency or national thereof, or in any  
25 other way to participate in the extension of credit to any

1 such country, agency, or national, in connection with the  
2 purchase of any product by such country, agency, or na-  
3 tional, except when the President determines that such  
4 guarantees would be in the national interest and reports  
5 each such determination to the House of Representatives  
6 and the Senate within 30 days after such determination.

#### 7 TITLE IV—GENERAL PROVISIONS

8 SEC. 401. No part of any appropriation contained in  
9 this Act shall be used for publicity or propaganda purposes  
10 within the United States not heretofore authorized by the  
11 Congress.

12 SEC. 402. None of the funds herein appropriated shall  
13 be used for expenses of the Inspector General, Foreign  
14 Assistance, after the expiration of the thirty-five day period  
15 which begins on the date the General Accounting Office  
16 or any committee of the Congress, or any duly authorized  
17 subcommittee thereof, charged with considering foreign assist-  
18 ance legislation, appropriations, or expenditures, has deliv-  
19 ered to the Office of the Inspector General, Foreign Assist-  
20 ance, a written request that it be furnished any document,  
21 paper, communication, audit, review, finding, recommenda-  
22 tion, report, or other material in the custody or control of  
23 the Inspector General, Foreign Assistance, relating to any  
24 review, inspection, or audit arranged for, directed, or con-  
25 ducted by him, unless and until there has been furnished to

1 the General Accounting Office or to such committee or  
2 subcommittee, as the case may be, (A) the document, paper,  
3 communication, audit, review, finding, recommendation,  
4 report, or other material so requested or (B) a certification  
5 by the President, personally, that he has forbidden the fur-  
6 nishing thereof pursuant to such request and his reason for  
7 so doing.

8 SEC. 403. No part of any appropriation contained in  
9 this Act shall be used to conduct or assist in conducting any  
10 program (including but not limited to the payment of  
11 salaries, administrative expenses, and the conduct of research  
12 activities) related directly or indirectly to the establishment  
13 of a national service corps or similar domestic peace corps  
14 type of program.

15 SEC. 404. *The appropriations, funds, other authoriza-*  
16 *tions, and authority with respect thereto in this Act shall be*  
17 *available from October 1, 1964, for the purposes provided*  
18 *in such appropriations, funds, other authorizations, and au-*  
19 *thority. All obligations incurred during the period between*  
20 *September 30, 1964, and the date of enactment of this Act*  
21 *in anticipation of such appropriations, funds, other author-*  
22 *izations, and authority are hereby ratified and confirmed*  
23 *if in accordance with the terms thereof.*

1        This Act may be cited as the “Foreign Assistance and  
2   Related Agencies Appropriation Act, 1965.”

Passed the House of Representatives July 1, 1964.

Attest: RALPH R. ROBERTS,  
*Clerk.*



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# AN ACT

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Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

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JULY 2, 1964

Read twice and referred to the Committee on Appropriations

SEPTEMBER 29, 1964

Reported with amendments



H. R. 11812

Enacted May 1891

# AN ACT

to amend the act of March 3, 1879, entitled "An act to provide for the collection of duties on imports of foreign goods, wares, and merchandise."

1891

Approved May 18, 1891

Wm. McKinley

President of the United States

# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C.

20250

Official Business

Postage and fees paid

U. S. Department of Agriculture

Issued Oct. 2, 1964

For actions of Oct. 1, 1964

88th-2nd, No. 189

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HIGHLIGHTS: Senate passed: Supplemental appropriation bill. Foreign aid appropriation bill. Sen. Clark inserted Sen. Humphrey's statement supporting sugar amendment to tariff bill. House received conference report on foreign aid authorization bill. House rejected appropriation continuation measure.

### SENATE

1. SUPPLEMENTAL APPROPRIATION BILL, 1965. Passed with amendments this bill, H. R. 12633 (pp. 22563, 22564-74). Conferees were appointed in both Houses (pp. 22574, 22656). Agreed to an amendment by Sen. Kuchel to provide \$860,000 for emergency flood control construction of debris basins and channel clearing in the Santa Barbara, Calif., area affected by recent forest fires. Sen. Kuchel stated that some of these structures will be located on national forest lands and the Forest Service has agreed to permit such construction. (pp. 22564-5) Agreed to an amendment by Sen. Randolph to provide \$350,000 for a water resources survey of the Appalachian area contingent upon the enactment of S. 2782, the Appalachia bill, which would authorize such a survey (pp. 22565-7). See Digest 187 for a summary of items for this Department. The bill also includes items for the National Commission on Food Marketing; National Commission on Technology, Automation, and Economic Progress; Office of Water Resources Research; Public Land Law Review Commission; Appalachian Regional Commission; and claims and judgments.

2. FOREIGN AID APPROPRIATION BILL, 1965. Passed with amendments this bill, H. R. 11812 (pp. 22574-82). This bill includes \$204,600,000 for technical cooperation and development grants, \$134,272,400 for international organizations and programs, \$87,100,000 for the Peace Corps, and funds for the Alliance for Progress and the Export-Import Bank.
3. LANDS. Passed without amendment H. R. 1096, to authorize the Secretary of the Interior to cooperate with Wisc. in the designation and administration of the Ice Age National Scientific Reserve in the State. This bill will now be sent to the President.
4. SUGAR. Sen. Clark inserted the statement of Sen. Humphrey commending adoption by the Senate of sugar amendments to the tariff bill and stating he would have supported the amendments had he been present in the Senate. pp. 22561-2
5. FOREIGN TRADE. Sen. Simpson inserted an item criticizing the extension of longterm credits by Western nations to Communist nations. pp. 22556-7
6. LEGISLATIVE PROGRAM. Sen. Mansfield announced his intention, at an appropriate time, to suggest a consent agreement "that commencing on Monday, the Senate go into pro forma sessions, meeting every 3 days and recessing immediately while it awaits the pleasure of the House." pp. 22563-4

#### HOUSE

7. FOREIGN AID. Received the conference report on H. R. 11380, the foreign aid authorization bill (H. Rept. 1925) (pp. 22652-6). As reported from conference the bill authorizes \$215,000,000 for technical cooperation development grants and \$134,272,400 for international organizations. The conferees agreed to delete a Senate amendment which would have prohibited further assistance to Indonesia under this bill or any other provision of Law, a Senate amendment providing selection-out and separation authorities for AID employees, a Senate amendment on reapportionment, and a House provision prohibiting assistance for the construction or operation of any productive enterprises abroad unless the President determined that similar productive enterprises in the U. S. were operating at a substantial portion of their capacity and such assistance would not deprive U. S. enterprises of their reasonable share of world markets.  
Earlier, the House had agreed to a Rules Committee resolution to send the bill to conference, and conferees were appointed. pp. 22616-22  
Agreed to a unanimous consent request by Rep. Albert that the conference report may be taken up today, Oct. 2. p. 22657
8. SUPPLEMENTAL APPROPRIATION BILL, 1965. Agreed to a unanimous consent request by Rep. Mahon that it be in order to consider the conference report on this bill, H. R. 12633, as soon as it is filed. pp. 22656-7
9. EDUCATION. By a vote of 320 to 20, agreed to the conference report on S. 3060, to extend and amend the National Defense Education Act of 1958 and laws providing aid to schools in federally impacted areas (pp. 22625-51). See Digest 188 for items of interest in the conference report. A motion to recommit in order to provide a 2 year extension of the impacted area aid program was rejected by a vote of 107 to 236 (p. 22650).

established a Commission, heavily charged with the responsibility for arriving at a solution with respect to this matter. Everyone knows that this is a very difficult and trying problem.

The President first asked for \$2.5 million in order to establish the Commission and give it an opportunity to begin to do something for this first year. But the first thing we do in the Senate, notwithstanding what the House did, is to cut the amount 40 percent. Everyone who reads about this will have the right to ask, "What happened? Can we not even allow this very modest sum of money, which the House was willing to allow, to permit a critically important activity to start?"

No Member of the Senate is more vigorous in the cause I have set forth than is the Senator from Rhode Island [Mr. PASTORE]. That is equally true of the Senator from Massachusetts [Mr. SALTONSTALL]. But they themselves were caught, as I have been caught, in the committee deliberations, where there is give and take, and where it is necessary to get to the end of business, where it is necessary to turn out a big bill.

The Senator from Rhode Island has a great responsibility. Sitting with his head in his hands, I know he wishes that he could be doing what I am doing. He wishes he could be doing exactly what I am doing—raising a question which is as deep in his heart as it is in mine. But he is in charge of the bill. I understand that only too well. I would do the same thing. If the Senator from Rhode Island should rise and vigorously oppose me, I would still affirm what I know to be the case.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PASTORE. I shall not oppose the Senator. I could not in good conscience vote against the amendment if it came to a vote. I am not bound by the action of the committee. It is true that I am in charge of the bill. I hope that the bill will be preserved as it was reported by the committee, for the reasons I have given. But if there is any deficiency, we can add to the amount later. I quite agree with everything the Senator from New York has said. But the bill will go to conference. In all probability the proposal will be opposed by the Senator from Massachusetts.

I tell the Senator from New York frankly that I was called to the White House for luncheon at the time this item was voted upon. I regret that very much, because had I been in committee at the time, I would have made the argument that is being made by the distinguished Senator from New York on the floor of the Senate today.

But I hope that after he has made his case, he will be willing to leave it to us to consider in conference. This item was allowed in toto by the House. The House allowed all the civil rights items in toto. But this one was cut. The Senator has explained why, in all probability, it might have been cut.

But after he has made his argument in support of his amendment, I hope that he will leave the amendment for future

deliberation. I think we would reach a more practical solution and perhaps a more favorable result.

If there is to be a yea-and-nay vote, I should dislike very much to have this amendment defeated, because then we might not have the latitude and flexibility we would want to have in conference. That is the only appeal I make to the Senator. I cannot refute or dispute anything he has said, because he has spoken from his heart, and in doing so has echoed what is in mine.

Mr. JAVITS. Mr. President, I shall not withdraw the amendment. If it is defeated on a yea-and-nay vote, or even if the amount is not cut \$1 million, I believe it is time for the Senate to face its responsibility for the things it does. We fought, we bled, and nearly died on the floor of the Senate for months to pass the Civil Rights Act of 1964. No sooner have we passed it, and no sooner has it become law, than again the opponents of that measure concentrate upon us, and we are cut down. For what? A million dollars—and this Government spends \$100 billion a year.

I am not running for anything. I do not know whether I will run for anything. But one thing I know: I am here to do my duty. I am here to see to it that the Senate faces its conscience. It is outrageous that the Senate should cut an appropriation like this by \$1 million, after all we went through to pass the Civil Rights Act of 1964, and after the House has passed a bill to provide \$2.5 million. Now the Senate is haggling about a \$2.5 million provision for such an item as this.

The Senator from Rhode Island has just spoken with me. In order to bring the debate to a conclusion—because I am not silly or stiff necked about it; I just do not feel we ought to allow this cut under these circumstances—I understand that it may be agreeable to the committee to accept a figure of \$2 million.

Mr. PASTORE. I have already discussed the proposal with the Senator from Massachusetts, who reduced the amount in committee. He is amenable to an increase of \$500,000. If that is agreed upon by all concerned, I am perfectly willing to accept it.

Mr. SALTONSTALL. In committee, there was a strong argument against making any appropriation for this purpose. An amendment was made to reduce the amount to \$500,000. A motion was then made to increase it to \$1.5 million. That amount was unanimously adopted by the committee.

This is one of the most important parts of the whole Civil Rights Act. I am heartily in favor of it. But I believe this proposal was agreeable to the committee as a whole.

I am perfectly willing to join the Senator from Rhode Island in taking to conference an additional amount of \$500,000, to see what can be done.

Mr. JAVITS. In view of the principle that is being established, a principle for which I have just been arguing, and that, I repeat, is just as deep in the hearts of the Senator from Rhode Island and the Senator from Massachusetts,

and in the hearts of all other Members of the Senate who are in the Chamber, as it is in mine, I modify my amendment to make the increase \$500,000 instead of \$1 million, so as to make the total amount \$2 million.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from New York.

The amendment, as modified, was agreed to.

Mr. PASTORE. Mr. President, I move that the Senate reconsider the vote by which the amendment, as modified, was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, it is with great pleasure and satisfaction that I speak today on the Senate floor in support of funds to implement the urban mass transportation bill which was signed into law only a little less than 3 months ago.

Many of us in Congress have worked and fought for years to establish this program and it is indeed gratifying to help approve the funds that are needed to start the grants and loans moving into the urban areas where this mass transit assistance is so desperately needed.

My colleagues know how critical the commutation problem is in New York City and the surrounding areas.

Financial assistance for the New Haven Railroad, to defray some of the large cost of replacing obsolete equipment and facilities or to help pay for a special project to provide more efficient and more comfortable commuter services can be a great help and give us a chance to prevent the further deterioration of the essential passenger services this railroad provides.

Also in Connecticut, Hartford, New Haven, Bridgeport, New Britain, and other cities are trying to cope with difficult transportation problems. Some Federal assistance under this program could make all the difference in the world in getting these and other medium-sized and small cities throughout the country started in the direction of solving their mass transit problems.

Sixty million dollars in grants and five million dollars in loans, as provided for in the Senate version of the supplemental appropriations bill, is not enough money so that every urban area in need of help will receive it.

Not even the House figures of \$75 million in grants and \$2.5 million in loans would permit this.

But I am confident that areas where the situation is especially acute, such as I have described in my State, will be among the first to qualify for assistance.

This year the Federal Government has finally given official recognition to the fact that the 70 percent of the American people who live in urban areas have urgent mass transportation problems.

Final approval of this appropriations bill will set into motion the program which can help meet our responsibilities in this important area.

## THE DIXIE PROJECT FUNDS URGENTLY NEEDED

Mr. BENNETT. Mr. President, I once again voice my complete and enthusiastic support of the Dixie project in Washington County, Utah, and call the Senate's attention to the urgent need to commence construction of this vital reclamation project at the earliest possible date. The Senate Appropriations Committee in the supplemental appropriations bill wisely added \$364,000 to the House-passed bill to complete the final plans preparatory to commencement of construction of the Dixie project. This is the amount which the Bureau of Reclamation has advised me can be profitably used this year, and which will save a full year's time in getting the Dixie project underway.

Congress this year approved legislation, of which I was a sponsor, to authorize the Secretary of the Interior to construct, operate, and maintain the Dixie project, Utah.

## AVOID DELAY

We, in Utah, are very concerned about getting the project underway as soon as possible, and the sum of \$364,000 is needed this fiscal year to enable the Bureau of Reclamation to complete the definite plan report on the project and other final details. This would advance preconstruction work to the point where actual construction can commence the following fiscal year. The inclusion of funds now will thus advance the project a full year.

Time is of the essence. The towns of southern Utah are undergoing a period of transition and reappraisal. Modern interstate highways are already bypassing communities whose lack of water and many natural resources has forced them to lean heavily on the tourist trade.

The climate of the Dixie project area is arid, with rainfall averaging about 8 inches a year, and an adequate and dependable water supply for irrigation and for municipal use is its paramount need. The unregulated waters of the Virgin and Santa Clara Rivers present the area with extreme drought conditions some years. Yet, at times periodic flash floods destroy crops and wash away valuable farmlands.

## KEY TO FUTURE GROWTH

Development of water storage facilities in the Dixie project area will provide for the conservation and orderly release of water that is now wasted in floods. The project also will permit the conservation of those portions of normal flows which are in excess of immediate requirements for irrigation and other purposes.

The Dixie project would bring the assurance of plentiful water, electric power, recreation resources, and other values to the area. It will serve as the foundation for a revitalized and modernized agricultural development and will permit local industry and population growth. The future of the entire area is dependent upon the Dixie project.

The Dixie project is a proposed multiple-purpose water resource development in the Virgin River Basin in southwestern Utah. By regulation of flows of the Virgin River and its tributary,

the Santa Clara River, the project would provide supplemental irrigation water to 9,455 acres of presently developed land and a full water supply for 11,615 acres of new land. The city of St. George would be provided with 5,000 acre-feet of water annually for municipal and industrial purposes. Construction of three powerplants would produce about 44,500,000 kilowatt-hours of firm electric energy and about 1,900,000 kilowatt-hours of secondary energy for sale annually. In addition, there would be minor flood control benefits, as well as fish, wildlife, and recreation benefits.

The major benefits of the project, of course, would accrue to Washington County, Utah's Dixie, in which the main facilities will be located.

Cedar City, in Iron County, will also be benefited through an amendment which points out the already existing contractual arrangement under which the Cedar City area would receive 8,000 acre-feet of water annually. This language was written so that Cedar City's citizens would be fully protected.

## LOCAL PEOPLE UNITED IN SUPPORT

During the course of the hearings on the Dixie project, it was repeatedly illustrated that the people of Utah are united in their earnest desire to see the Dixie project built after it has been under study by the Bureau of Reclamation since at least 1918. It was only World War II which blocked much earlier construction of the project at a cost that would have been but a relatively small fraction of the burdens that the people of Utah's Dixie are willing to undertake today so that the project may become a reality. In order to make the project economically feasible, the local people have agreed to impose an almost unprecedented high tax burden of 5 mills to repay their share of the costs. In addition, they have established the Washington County Water Conservancy District to demonstrate their full backing of the project. The project costs will be repaid with interest in 50 years. It is economically sound, having a cost-benefit ratio of 2.2 to 1.

The need for the project is urgent. With the sum of \$364,000, all preconstruction planning and studies can be completed and construction commenced without delay.

I again thank the committee for approving my request. I urge the Senate to approve it today and hope it will be approved in the joint Senate-House conference committee.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 12633) was read the third time and passed.

Mr. PASTORE. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. NELSON in the chair) appointed Mr. PASTORE, Mr. HOLLAND, Mr. HAYDEN, Mr. RUSSELL, Mr. ELLENDER, Mr. McCLELLAN, Mr. MONROE, Mr. BARTLETT, Mr. YOUNG of North Dakota, Mr. SALTONSTALL, Mr. MUNDT, and Mrs. SMITH conferees on the part of the Senate.

## FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1965

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1545, H.R. 11812.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11812) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON in the chair). Without objection, it is so ordered.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Rhode Island will state it.

Mr. PASTORE. What is the pending business?

The PRESIDING OFFICER. The foreign aid appropriations bill.

Mr. PASTORE. Mr. President, the foreign aid and related agencies appropriation bill for fiscal year 1965, which is now before the Senate, recommends appropriations of new obligational authority in the amount of \$3,712,077,000. This amount is \$246,300,000 below the budget estimate and it is \$27,172,400 under the amount appropriated by the House.

In reporting this bill to the Senate, the committee was faced with the fact that an authorization bill for the foreign aid program—title I—had not been enacted into law and precise figures of authorization were not available. For title I, the committee has followed the lead of the Senate and has recommended an appro-

priation of \$3.3 billion, the amount of the authorization bill as it passed the Senate. The authorization bill when it is enacted will authorize funds for the fiscal year 1965 and the committee recognizes that should it exceed the appropriations in this bill, there will remain bal-

ances which have been authorized but not appropriated.

A summary of the bill, included on page 2 of the committee's report to the Senate, sets out the comparisons of the three titles of the bill, including the budget estimates, the bill as it passed

the House, and the amount recommended by the Senate committee. I ask unanimous consent to have this table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Summary of the bill*

Title	Item	Budget estimates	Bill as it passed House	Recommended by Senate Committee	Increase (+) or decrease (-) Senate bill compared with—	
					Budget estimate	Bill as it passed House
I	Foreign assistance.....	\$3,516,700,000	\$3,316,572,400	\$3,300,000,000	—\$216,700,000	—\$16,572,400
II	Foreign assistance (other).....	441,677,000	422,677,000	412,077,000	—29,600,000	—10,600,000
III	Export-Import Bank of Washington (limitation).....	(1,353,841,000)	(1,353,841,000)	(1,353,841,000)	-----	-----
		3,958,377,000	3,739,249,400	3,712,077,000	—246,300,000	—27,172,400

Mr. PASTORE. Mr. President, I might point out that approximately 90 percent of the amounts appropriated in the bill is carried in title I of the bill under the heading of "Foreign Assistance." For this purpose for fiscal year 1965, the committee has recommended a total of \$3,300 million which is \$300 million more than the \$3 billion of new obligational authority made available in fiscal year 1964.

Though Congress had made only \$3 billion of new obligational authority available for fiscal year 1964, because of the reappropriation of unobligated balances, the reimbursements and receipts brought into the various appropriations in title I, and the authority granted to

the Agency for International Development to reobligate funds derived from deobligations and decommitments, it was possible for AID to carry out a foreign aid program aggregating approximately \$3,650 million in fiscal year 1964.

For fiscal year 1965, the amount of \$3,300 million recommended by the committee will fund a program totaling \$3,463,800,000 which is approximately \$185 million less than the foreign aid program for fiscal year 1964.

Mr. President, to get a true comparative picture of the size of our foreign aid program, it is essential to look not only at the amount of new obligational authority appropriated by Congress, but also to the unobligated balances, the re-

imbursements and receipts, and the deobligated funds which are available to AID for reobligation. A much more meaningful picture is vividly portrayed in the table appearing on page 5 of the committee's report, wherein the actual amounts obligated in fiscal year 1964, the program requirements of the program for fiscal year 1965, and the program approved in House and Senate bills are set forth. Mr. President, I believe this table should also appear in the RECORD, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Summary of title I of the bill*

Item	Fiscal year 1964 obligations	Fiscal year 1965 program			Increase (+) or decrease (-) Senate bill compared with—	
		Submitted to Congress	Approved by House	Recommended by Senate	Fiscal year 1965 program submitted to Congress	House bill
<b>Economic assistance:</b>						
Technical cooperation and development grants.....	\$211,759,759	\$234,800,000	\$220,800,000	\$220,800,000	—\$14,000,000	-----
American schools and hospitals abroad.....	20,700,000	18,000,000	19,200,000	18,000,000	-----	—\$1,200,000
Surveys of investment opportunities.....	1,100,310	2,400,000	2,900,000	2,400,000	-----	—500,000
International organizations and programs.....	116,336,227	134,400,000	134,272,400	134,272,400	—127,600	-----
Supporting assistance.....	364,375,971	418,600,000	422,600,000	418,600,000	-----	—4,000,000
Contingency funds.....	108,173,666	150,000,000	150,800,000	150,000,000	-----	—800,000
<b>Alliance for Progress:</b>						
Inter-American social and economic cooperation program.....	135,000,000	-----	-----	-----	-----	-----
Technical cooperation and development grants.....	89,586,845	88,000,000	88,300,000	88,000,000	-----	—300,000
Development loans.....	469,517,879	482,300,000	435,000,000	435,000,000	—47,300,000	-----
Development loans.....	845,240,761	960,200,000	807,200,000	798,727,600	—161,472,400	—8,472,400
<b>Administrative expenses:</b>						
AID.....	54,028,274	53,500,000	54,800,000	53,500,000	-----	—1,300,000
State.....	2,715,304	2,900,000	2,900,000	2,900,000	-----	-----
Subtotal, economic assistance.....	2,418,534,996	2,545,100,000	2,338,772,400	2,322,200,000	—222,900,000	—16,572,400
Military assistance.....	1,231,763,647	1,215,000,000	1,141,600,000	1,141,600,000	—73,400,000	-----
Total, economic and military assistance.....	3,650,328,643	3,760,100,000	3,480,372,400	3,463,800,000	—296,300,000	—16,572,400

Mr. MORSE. Mr. President, will the Senator from Rhode Island yield at that point for a very brief statement by me, because I am in conference and must return there immediately?

Mr. PASTORE. I am delighted to yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I thank the Senator from Rhode Island.

As the Senator from Rhode Island and other members of the Appropriations Committee know, I do not favor an appropriation bill for foreign aid of more than \$3 billion. I prefer one for \$2.5

billion. Therefore, I wish to go on record as being against the conference report when it comes up.

I am fully aware of the problems which face the Senator from Rhode Island. I am also fully aware of the fact that I am in the minority, but I now incorporate by reference every argument which I have made in the many months passed against the foreign-aid program.

Next year, I hope that the administration will come to its senses and carry out what I am assured by some in the State Department will be a plan to pro-

pose some domestic reforms in the foreign-aid program. If, as, and when they do, I shall once again be supporting foreign aid, but not until then.

I wish the RECORD to show that I am against the recommendation of the Appropriations Committee. I appreciate the fact that the committee is bringing forth appropriations not in excess of the amount authorized by the Senate, but I was against that amount of authorization by the Senate. I voted against the authorization. I shall vote against the appropriation.

I thank the Senator from Rhode Island for yielding to me.

Mr. ERVIN. Mr. President, will my good friend the Senator from Rhode Island [Mr. PASTORE] yield to me for just a moment, for a very brief statement?

Mr. PASTORE. I am happy to yield to the Senator from North Carolina.

Mr. ERVIN. Mr. President, I opposed the passage of the foreign aid authorization bill. I am also opposed to the passage of the appropriation for foreign aid.

I thank the Senator from Rhode Island for yielding to me.

Mr. PASTORE. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be regarded as original text for the purpose of amendment; provided, that no point of order shall be considered to have been waived by reason thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, at the beginning of line 2, to strike out "Development grants" and insert "Technical cooperation and development grants".

On page 2, line 6, after "section 214(c)", to strike out "\$18,000,000" and insert "\$16,800,000".

On page 2, line 8, after "section 232", to strike out "\$2,100,000" and insert "\$1,600,000".

On page 2, line 12, after "section 402", to strike out "\$405,000,000" and insert "\$401,000,000".

On page 2, line 14, after "section 451(a)", to strike out "\$150,000,000" and insert "\$149,200,000".

On page 2, line 16, after "section 252", to strike out "\$85,000,000" and insert "\$84,700,000".

On page 2, line 21, after "section 202(a)", to strike out "\$782,200,000" and insert "\$773,727,600".

On page 3, line 2, after "section 637(a)", to strike out "\$52,500,000" and insert "\$51,200,000".

On page 4, line 10, after the word "projects", to insert "or programs".

On page 5, line 16, after the word "fund", to insert "Alliance for Progress, development loans".

On page 8, line 6, after the word "Any", to strike out "obligation" and insert "expenditure", and in line 14, after the word "not", to strike out "adversely affect the economy of the United States" and insert "result in adverse effects upon the economy of the United States or the industrial mobilization base which outweigh the economic or other advantages to United States of less costly procurement outside the United States".

On page 10, line 21, after the word "than", to strike out "\$6,000,000" and insert "\$15,000,000".

On page 12, at the beginning of line 16, to strike out "\$20,500,000" and insert "\$20,850,000".

On page 14, line 20, after "(5 U.S.C. 55a)", to strike out "\$45,400,000" and insert "\$34,800,000 together with the unobligated balance of the appropriation under this head for the fiscal year 1964: *Provided*, That the final sentence in section 2(e) of the Migration and Refugee Assistance Act of 1962 is hereby repealed".

On page 19, after line 14, to insert a new section, as follows:

"Sec. 404. The appropriations, funds, other authorizations, and authority with respect thereto in this Act shall be available from October 1, 1964, for the purposes provided

in such appropriations, funds, other authorizations, and authority. All obligations incurred during the period between September 30, 1964, and the date of enactment of this Act in anticipation of such appropriations, funds, other authorizations, and authority are hereby ratified and confirmed if in accordance with the terms thereof."

Mr. PASTORE. Mr. President, title I, which embraces the Foreign Assistance Program, includes a total of 12 separate items. For the first of these items, "Technical Cooperation and Development Grants", the committee has allowed \$220,800,000. This amount compares with \$211,759,759 obligated in fiscal year 1964, and a program presented to Congress of \$234,800,000. I point out that the funds appropriated hereunder are used principally to hire experts and technicians to help underdeveloped countries help themselves. Furthermore, these funds will permit countries, other than those located in Latin America—which are financed under a separate item in this bill—to train teachers, health workers, agricultural extension agents, and other skilled persons, all sorely needed to achieve economic progress in these countries.

The second item, "American Schools and Hospitals Abroad", will be fully financed for fiscal year 1965 by the \$16,800,000 in new obligational authority, made available by the committee, and by the reappropriation of an unobligated balance amounting to \$1,200,000, making a total of \$18 million available for this program, the same amount as the budget estimate and \$1,200,000 under the House allowance.

By far the greatest portion of the money appropriated for American Schools and Hospitals Abroad, in fact exactly \$10,500,000, will go to the Medical Center of the American University of Beirut to provide a modern patient care facility. When this sum is combined with the clinical teaching, research and outpatient facilities which were previously financed by a \$5 million U.S. grant, there will be placed in being the most modern medical center in the Middle East. In addition to this very worthy project, \$4,900,000 of the amount appropriated under this item will be allocated to a number of American schools and colleges located in various foreign countries. Furthermore, there is \$1,500,000 appropriated under this title for assistance to Project Hope, and there will also be available \$1,100,000 of local currency for the use of the American University in Cairo.

The third item comes under the heading of "Surveys of Investment Opportunities." For this item, the committee has recommended an appropriation of \$1,600,000, which, together with \$500,000 in newly determined unobligated carryover and \$300,000 in estimated recoveries, will provide the financing of the full program of \$2,400,000 requested by the administration.

While not requiring a great amount of funds, this is one of the most important programs operated in our Foreign Aid Program, because it encourages the entrance of private capital into the foreign assistance field. Under this program,

the Agency for International Development may enter into agreements to pay up to one-half of the cost of investment surveys undertaken by prospective U.S. investors. If the survey results in an investment, the investor must bear the full cost of it. If, on the other hand, after a reasonable period of time, the prospective investor decides that the project is not one which warrants the taking of a risk, the Agency for International Development pays the agreed portion of the cost of the survey, takes title to it, and then makes it available to any other potential U.S. investor.

I should also add, Mr. President, that, during the course of the hearings on the bill, the committee was informed that this program is attracting increasing interest among prospective investors, and that it is definitely proving to be an effective instrument for the infusion of private investment in some of the underdeveloped countries.

The fourth item incorporated in Title I of this bill is "International Organization and Programs." Under this item, funds are provided to permit the continued participation of the United States in the following United Nations and other international programs:

U.N. Expanded Program of Technical Assistance and Special Fund.....	\$60,000,000
U.N. Technical and Operational Assistance to the Congo.....	5,000,000
U.N. Emergency Force (Near East).....	850,000
U.N. Relief and Works Agency for Palestine Refugees.....	16,000,000
U.N. Children's Fund.....	12,000,000
U.N. Food and Agricultural Organization World Food Program.....	2,300,000
International Atomic Energy Operational Program.....	1,000,000
Indus Basin Development Fund.....	37,000,000
International Peace Corps Secretariat.....	22,400

With the exception of the U.N. Relief and Works Agency for Palestine Refugees, wherein the percentage of U.S. contribution totals 70 percent of the total amount contributed, the percentage of U.S. contribution for the other items funded under this title lies between 33 1/3 and 40 percent of the total amount contributed by the various donors.

The next item in Title I is "Supporting Assistance." For this item, the committee has recommended an appropriation of \$401 million which, when added to the carryover of \$17,600,000, makes a total of \$418,600,000 available for obligation in fiscal year 1965, the same amount requested.

Supporting assistance is economic aid which is employed to advance U.S. national security and foreign policy objectives in those situations, where the basic economic conditions prevailing in the particular underdeveloped countries make the strict criteria for developmental type of assistance inapplicable. Most of the supporting assistance goes to countries where aid is needed to help establish the external and internal security which must precede meaningful economic and social development. The objective of supporting assistance is to move a country out of this aid category

as rapidly as conditions within the country permit. Mr. President, there is no question that this objective has been effected in the past. This is evidenced by the continued reductions which have been made in the last few years in supporting assistance. Actually almost 85 percent of the funds appropriated under this title will be used in four countries, namely Vietnam, Korea, Laos, and Jordan. The remaining approximately 15 percent will be employed in nine other countries.

Over the past decade there have been three phases through which a number of countries have moved in recovering from political and/or military upheavals with external help. In the first phase, external security and a minimum of internal law and order are established. In the second, political and economic institutions are strengthened and the economy is stabilized. In the third, economic growth picks up speed and dependence on extraordinary assistance is steadily reduced and then eliminated.

Mr. President, good illustrations of countries which have moved from one phase to another are Greece and Taiwan. While these countries depended heavily upon supporting assistance in the past, they are no longer recipients of such aid. They have moved through the three phases to which I alluded, in a period spanning 8 to 10 years, and in the future, I feel confident that a number of countries presently receiving supporting assistance will emulate them.

For the next item in title I, namely the "Contingency fund" the committee has recommended that the full amount of the budget estimate of \$150 million, which is also the same amount allowed by the House Appropriations Committee, be appropriated for fiscal year 1965.

Mr. President, during the past few years, while the foreign assistance bill has been considered by Congress in both the authorization and appropriation stages, many attacks have been made upon the President's contingency fund. Many opponents of the foreign assistance program have felt that the contingency fund has been abused and misused by the administrators of the AID program. Mr. President, this just is not so.

The contingency fund is necessary for the successful attainment of the total objectives of the foreign assistance program. It is used to meet urgent and unforeseen assistance needs, or needs which could be defined with reasonable accuracy at the time the budget estimates were presented to the Congress. It is necessary for the contingency fund to be used in several different types of situations, and I would like to enumerate these.

First, there are the cases in which there is an urgent need to expand assistance to a country, the security of which is threatened by new or intensified Communist attack, threat, or subversion. Past examples of this type of use have occurred in both Laos and Thailand.

The second type of situation, and for which by far the most frequent use of the Contingency Fund is made is allevi-

ated by the rendering to various nations on account of earthquakes, floods, or other disasters. Disasters in the very recent past, occasioning the use of the Contingency Fund to preserve the lives of countless people afflicted by disaster, have occurred in Yugoslavia and Trinidad-Tobago, in the aftermath of the Skopje earthquake and Hurricane Flora. While this is the most frequent use of the fund, the amount of funds employed for this purpose is far less than the amounts which are used in the other situations.

The third type of situation, wherein the Contingency Fund may be employed to further the U.S. national interest, is in those cases where unexpected economic or political crises occur, and where prompt economic aid—even though it may not meet the criteria of development assistance—must be used to protect both the short- and long-run U.S. interests in the country aided.

Thus, Mr. President, whether it be used for preventing Communist infiltration, to relieve the people afflicted by disaster, or to protect the short- and long-run U.S. interest in a particular country, there is no question but that a prompt and flexible U.S. response in meeting a legitimate assistance need has been attained through the use of the Contingency Fund. I submit, Mr. President, that the President of the United States needs the Contingency Fund which has served as the indispensable means to obtain these laudable objectives.

Under the Alliance for Progress, three different appropriation items were funded in the foreign aid appropriation bill for fiscal year 1964. These included \$135 million which was made available for the inter-American social and economic cooperation program, more commonly known as the social program trust fund, \$89 million plus for technical cooperation and development grants, and almost \$470 million for development loans.

For fiscal year 1965, no funds are required for the social program trust fund, and thus, in the bill presently being considered by the Senate, only two appropriation items are funded under the Alliance for Progress; namely, technical cooperation and development grants in the amount of \$88,300,000 and development loans in the amount of \$435 million. Actually, in making available \$88,300,000 for technical cooperation and development grants in Latin America, the committee has only appropriated a total of \$84,700,000 in new obligational authority, which actually is a reduction of \$300,000 under the House allowance. This reduction is made possible because, in its initial request, the administration contemplated a program requiring \$85 million in so-called new funds, plus \$3 million in carryover balances from fiscal year 1964 for a total program of \$88 million. Subsequently it was made known at the hearings of the committee that this carryover balance will be increased to \$3,300,000—an increase of \$300,000 over the original estimate. This enabled the committee to appropriate new obligational authority of

\$84,700,000 which is \$300,000 less than the new obligational authority requested and appropriated by the House.

I do not think it is necessary that I describe the technical cooperation program for Latin America, because earlier I defined it when I discussed the worldwide technical cooperation program. I do wish, however, to point out that the committee was very pleased to note that grants for capital items, which have been objected to by many of the committee members in the past, have been eliminated from this program, and for this worthy accomplishment, the committee, in its report, has commended the administrators of the Agency for International Development.

The other item in the Alliance for Progress program, development loans, has been funded by the committee by an appropriation amounting to \$435 million, which is the same as the amount appropriated by the House, but it is \$47,300,000 less than the budget estimate.

The Alliance for Progress record which has been written in fiscal years 1963 and 1964 makes it perfectly clear that the performance by the United States and Latin America requires mutual fulfillment of Alliance projects. Our aid to Latin America is going to those countries which are taking the necessary steps to effect social, land, and tax reforms, and which are employing the necessary self-help measures. While there is much to be done by many of the countries in Latin America along these lines, progress nevertheless has been and is being made.

Our development loan fund and our investment guarantee fund seek to encourage private entrepreneurs from both Latin America and the United States to invest in the countries to the south of us. To spur local investment, the Agency for International Development has invested to date \$280 million in development banks in Latin America, which is providing capital for farm credit, for development of small business and industries, and for home building. While the road toward successful attainment of the goals sought by the Alliance for Progress is long and arduous, the objectives nevertheless are now in sight though they may be afar on the horizon.

Our development lending program in Latin America will continue to emphasize provision for further economic and social progress. It will continue to be a concentrated program in that 90 percent of development lending is proposed for 6 countries and the Central Economic Community. This program is getting the job done, and it deserves the continued unqualified approval of the Congress.

The next item funded under title I of the bill now before the Senate is the largest single item of economic assistance. It is the worldwide development loan program, which covers all of the underdeveloped countries of the world other than those in the southern half of our own Western Hemisphere. Initially the administration submitted a develop-

ment loan program aggregating \$960,200,000. To fund this program, the House approved a total of \$807,200,000, made up of \$782,200,000 in new funds, and \$25 million in carryover and deobligated funds. The Senate Appropriations Committee has recommended \$798,727,600 for this program for fiscal year 1965, which consists of \$773,727,600 in new funds, plus \$25 million of carryover and deobligated funds.

Everything I said about the development loan program for Latin America has equal applicability to the loan program conducted by the Agency for International Development in the rest of the world. While the loan program in Latin America is heavily concentrated in two countries, namely, Chile and Colombia, similar concentration is found in the worldwide development program in five countries, namely, India, Nigeria, Pakistan, Tunisia, and Turkey. In fact, Mr. President, 67 percent of the total of all development lending contemplated for fiscal year 1965 is going to be concentrated in these seven countries. The remaining 33 percent will be spread among 41 countries.

I would be remiss if I did not point out that the Agency for International Development does not go about helterskelter disbursing money out of the two development loan funds. Actually the level of loan assistance proposed for a particular country is based on the country's overall balance of payments and investment needs—the extent to which these needs can be met from other sources and the effect that giving, or withholding, loans is likely to have on sound fiscal policies and self-help measures, as well as on the more specific ability of the country to prepare sound projects for loan financing. Primarily for these reasons, loan funds are heavily concentrated in the seven key countries previously mentioned as their importance and international development efforts merit our strong support.

The last two items funded under economic assistance, namely, administrative expenses for the Agency for International Development and administrative expenses to be reimbursed to the State Department, have been fully funded by the appropriations recommended by the committee.

For administrative expenses for the Agency for International Development, the committee recommends an appropriation of \$51,200,000 which, though it is \$1,300,000 under the House allowance, together with an unobligated balance of \$2,300,000, which the committee has recommended be reappropriated, will fund the full program of \$53,500,000 requested by AID.

The Agency for International Development requested \$2,900,000 to finance the administrative expenses incurred by the State Department in connection with its responsibility in the administration of the Mutual Defense Control Act, and in support of the U.S. mission to the North Atlantic Treaty Organization and the European regional operations. As just pointed out, the committee recommends that the full amount of this budget estimate be appropriated in this bill.

For the last item contained in title I of the bill, namely, military assistance, the committee recommends an appropriation of \$1,055 million which is the same amount as the budget estimate and the amount allowed by the House.

In view of the grave threat of external aggression, as well as internal subversion, which faces the many nations of the world assisted by us under the military assistance program, I do not believe it is necessary for me to delineate for the Senate today why the committee appropriated this amount for military assistance. Nevertheless, I would like to point out that, in southeast Asia and the Far East, our military assistance program is of special importance for, as you well know, many of the countries in these areas face a carefully planned combination of subversion and outright attack. In South Vietnam, the intensified terrorist action has necessitated an upward revision by \$125 million in the original budget request for economic and military assistance. Of this total increase of \$125 million, \$55 million is for the military assistance program and is included in the appropriation recommended by the committee.

I should also like to state that the military assistance program augments the security of the United States by helping to assure continued access to those oversea installations which are vital to the effective deployment of American military strength. Furthermore, I wish to emphasize that the military assistance program contributes in no small way to the attainment of the political objectives sought by the United States through its program of training in our country numerous present and future military leaders of various foreign nations.

Before proceeding to discuss the action taken by the committee in connection with title II of the bill, I would like briefly to discuss the language provisions incorporated in the bill which pertain solely to title I.

Most of the language provisions which have been included in the foreign assistance bill in prior years have been continued in the bill pending before the Senate by both the House and the committee.

Nevertheless, there were certain language provisions included by the House which your committee felt should be either deleted from the bill or modified. The language on page 4, lines 5 to 12 of the bill, which reads as follows: "Of the foregoing amounts for economic assistance, \$300 million shall be available for obligation only through the apportionment review and approval procedure prescribed by law in such amounts and at such times as may be determined by the President in the national interest that funds otherwise available for the purposes of programs under this title are insufficient to meet the cost of additional authorized projects," has been amended by the committee by the addition of the words "or programs" after the words "projects" in order to clarify the amendment and make it parallel other sections of foreign aid legislation.

The executive branch had requested that this House amendment be deleted

from the bill. However, it was the consensus of the committee that its inclusion afforded increased control of the program, and it merely perfected the House language.

For a number of years now the appropriations bill has contained language which has limited the amount of funds which may be available for obligation during the last month of the fiscal year to not more than 20 percent of any appropriation item, excepting therefrom both the Development Loan Fund and the Contingency Fund, since limitations on these two items are not considered to be plausible because of the nature of the appropriations. However, the Development Loan Fund appearing under the Alliance for Progress has been subject to the 20 percent. The committee felt that this fund should be placed on the same footing as the regular Development Loan Fund since, in substance, it is identical, and has included language making the Development Loan Fund of the Alliance for Progress also an exception to the 20 percent limitation clause.

Section 108 has been included in the bill for several years, and provides:

Any obligation made from funds provided in this title for procurement outside the United States of any commodity in bulk and in excess of \$100,000 shall be reported to the Committees on Appropriations of the Senate and the House of Representatives at least twice annually: *Provided*, That each such report shall state the reasons for which the President determined, pursuant to criteria set forth in section 604(a) of the Foreign Assistance Act of 1961, as amended, that foreign procurement will not adversely affect the economy of the United States.

Unfortunately, this language has not attained the goals it sought. Since its appearance in the bill, no reports have been submitted to Congress because of the determination of the administration that the language is not meaningful.

During the course of the hearings on the bill, Mr. Bell pointed out to the committee that, to state accurately the criteria set forth in section 604(a) of the Foreign Assistance Act, the words "adversely affect the economy of the United States" would have to be deleted, and the following words substituted therefor: "result in adverse effects upon the economy of the United States or the industrial mobilization base which outweigh the economic or other advantages to United States of less costly procurement outside the United States." Furthermore, he asked the committee to change the word "obligation" in the section to "expenditure" in order to make the reports hereunder more meaningful. The committee has amended section 108 of the bill accordingly.

Since fiscal year 1962, section 113, placing a limitation on the use of development grant funds for research purposes, has been included in the bill. This provision, which was included by the House, reads as follows:

Of the funds appropriated or made available pursuant to this Act not more than \$6,000,000 may be used during the fiscal year ending June 30, 1965, in carrying out section 241 of the Foreign Assistance Act of 1961, as amended.

This provision came into being a few years ago when development grant funds

were initially used for research purposes. At that time there were some abuses which provoked some Members of the Congress and which brought this limitation provision into the bill.

The shortcomings and defects which harassed the research program in its incipient stage have now been eliminated, and the reason for this limitation no longer exists. Though it was not the consensus of the committee to completely eliminate this provision, it nevertheless increased the limitation to \$15 million, the amount programmed for research by the administration.

If we are to improve our foreign aid program, a sound research program is absolutely essential and it should not be weighted down by meaningless limitations. The foreign aid research program is directed toward a better understanding of the development processes, discovery of improved techniques, determination of the proper equipment and procedures in promoting development, and the improvement of methods to assist the results of AID project proposals. To obtain the best personnel for the research program, extensive use is made of expert consultants in other Government agencies and in the research community of our Nation.

I wish to emphasize another point. Even though the committee has provided the full amount of \$15 million for research, Congress can be assured it will not result in any hasty or ill-considered pyramiding of research activities. The present control procedures insure a careful, solid, step-by-step growth in the AID research program based on a scrupulous, careful review of all proposals, and upon insistence on the same high standards of research which have led to high quality research results in practically all of our Government programs. In concluding my statement on this item, I may add that research and analysis proposals are screened on the basis of their relevance, importance, and scientific soundness, and are thoroughly checked to avoid any type of duplication.

Mr. President, I should like to turn to title II of the bill. This title includes appropriations for such related agencies as the Peace Corps; the Army administration of the Ryukyu Islands; assistance to refugees in the United States, administered by the Department of Health, Education, and Welfare; the migration and refugee assistance program, administered by the Department of State; and the funds appropriated to the President for the Inter-American Development Bank and for the International Development Association, commonly known as IDA.

For title II, a total of \$412,077,000 has been recommended by the committee, and this amount is \$10,600,000 less than the sum appropriated by the House, and \$29,600,000 less than the budget estimate.

In the case of the Army administration of the Ryukyu Islands, the migration and refugee assistance administered by the Department of State, the increase of callable capital of the Inter-American Development Bank, and the fifth and final installment on our initial subscription to the International De-

velopment Association, the committee has recommended the same amounts as recommended by the House, and which are contained in the budget estimates.

However, in the case of the remaining items, the committee recommendations differ from both the House amount and the amount requested in the budget.

For the Peace Corps, the committee recommends an appropriation of \$87,100,000, which is the same as the amount allowed in the House bill. In addition, the committee has concurred in the reappropriation of \$17 million of unobligated balances approved by the House, thus making a total of \$104,100,000 available for the Peace Corps for fiscal year 1965.

However, the committee has disagreed with the administrative expense limitation allowed by the House of \$20,500,000 and has increased this amount to \$20,850,000. While this increase in allowance for administrative expenses recommended by the committee over the amount allowed by the House is relatively small, it will insure that there be no downward adjustment from the 14,000 volunteer level which the Peace Corps is striving to reach by the time all of its 65 summer training programs have begun.

For assistance to refugees in the United States, the so-called Cuban refugee program, which is administered by the Department of Health, Education, and Welfare, the committee has recommended an appropriation of \$34,800,000. This amount is \$10,600,000 under the House bill and the budget estimate.

Nevertheless, the amount allowed by the committee will provide full funding of the program requested by the administration. This is so because the committee has included language in the bill which will authorize the use of unobligated balances in the amount of \$7,600,000 which, when added to the new obligational authority of \$34,800,000 recommended by the committee, will finance a total program of \$42,400,000 exclusive of the \$3 million requested for contingencies. In its report, the committee has made it clear that, if contingencies develop in connection with the Cuban refugee program, a supplemental request can be considered at some future date.

Furthermore, in connection with the Cuban refugee program, the committee was concerned by a misunderstanding which developed last year and again this year in connection with the unobligated balances under this program. To avoid any future misunderstandings the committee has included language in the bill which, it is hoped, will make it very lucid that appropriations for the assistance of refugees programs are available for the year for which they are appropriated and do not remain available until expended.

Turning now to the final section of the bill, title III, which covers the Export-Import Bank of Washington, I report to the Senate that the committee has not recommended the appropriation of any new obligational authority for fiscal year 1965, because the Export-Import Bank is financed, not through the

appropriation of new obligational authority but through direct borrowing from the U.S. Treasury.

Despite the fact that the Appropriations Committee cannot directly recommend the amount of obligational authority the Export-Import Bank should have in any year, it nevertheless has the duty to make recommendations placing ceilings on the bank's operational and administrative expenses. This has been done in title III of the bill, wherein the committee has concurred with the action taken by the House in, first, placing a limitation of \$1,350,060,000 on the program for the Export-Import Bank for fiscal year 1965, and second, in limiting the administrative expenses to \$3,781,000 for fiscal year 1965.

Mr. President, your Appropriations Committee has reported a good foreign aid bill. I invite attention of Senators to the additional facts covering this bill in particular and the foreign aid program in general.

The committee heard detailed testimony which was presented by Secretary of State Dean Rusk, Secretary of Defense McNamara, AID Administrator Bell, General Wood, the Director of military assistance program, and others on the bill. I believe they all made a good case of emphasizing the necessity for continuing our foreign aid program which, needless to say, has been a vital instrument of our foreign policy for many years. During the course of the hearings, considerable facts were brought to light. I should like to highlight some of them at this time.

Fifteen years ago, as much as 86 percent of foreign assistance was channeled into Western Europe and Japan. Today, those countries receive none of our economic aid and very little military aid, which, by the way, primarily derives from the pipeline of past appropriations. As warranted by changes in conditions and circumstances, economic aid has been directed to the underdeveloped countries of Latin America, Asia, and Africa, and military aid has been reserved primarily for those countries bordering the Communist bloc.

As late as 10 years ago, 60 percent of the aid program was utilized for military assistance; today the great bulk of the aid extended is economic. Just 5 years ago, more than half of the aid program was on a grant basis; today two-thirds of the aid assistance is financed by loans repayable, not in soft currencies, but in hard dollars. I could go on and on with other facts appearing in the 700 pages of hearings on each Senator's desk, but I have no intention of detaining the Senate any longer.

In concluding my remarks on the pending bill, economic AID dollars 5 years ago were expended in countries in which world prices were lowest, and less than half of the AID dollars were spent in the United States; but, for fiscal year 1964, more than 80 percent of the funds appropriated were committed to purchases of U.S. goods and services, and it is estimated that the percentage will be even higher for fiscal year 1965. In 1949 we were spending almost 2 percent of our gross national product for foreign as-

sistance. The anticipated expenditures for fiscal year 1965 will be six-tenths of 1 percent of our gross national product. In 1949 foreign aid expenditures amounted to 11.5 percent of the Federal budget, and for the current fiscal year they are expected to be just 3.5 percent of this budget.

I wish to point out that the committee has also included in the bill a validating clause in order to avoid the necessity of passing another continuing resolution. This clause is included in section 404 of the bill and has also been incorporated on pages 16 and 17 of the committee's report on the bill. It reads as follows:

SEC. 404. The appropriations, funds, other authorizations, and authority with respect thereto in this Act shall be available from October 1, 1964, for the purposes provided in such appropriations, funds, other authorizations, and authority. All obligations incurred during the period between September 30, 1964, and the date of enactment of this Act in anticipation of such appropriations, funds, other authorizations, and authority are hereby ratified and confirmed if in accordance with the terms thereof.

Once again, Mr. President, I urge the Senate to accept the bill reported by the committee.

Mr. SALTONSTALL. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I am glad to yield.

Mr. SALTONSTALL. Mr. President, I support the Senator from Rhode Island in relation to the foreign aid appropriation. I have a brief statement regarding the figures on what the committee has done.

I congratulate the senior Senator from Rhode Island [Mr. PASTORE] for the excellent work and leadership he has given us in consideration of the foreign aid bill.

The Senate Committee on Appropriations held extensive hearings on this bill and has had the advantage of ample time to study both the recommendations on the authorization bill of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. We have also had time in which to evaluate the recommendations and report on this bill from the House Committee on Appropriations. The Senate Committee on Appropriations has followed the lead of the Senate Foreign Relations Committee. The amounts recommended in this appropriation bill are consistent with the amounts in the Senate authorization bill.

I should like to highlight some of the financial aspects of the bill. The bill is about \$200 million under the budget request but is the full amount voted in the Senate authorization bill. Last year, the new money voted by the Congress for title I was an even \$3 billion, but this year's bill is smaller than last year's in granting permission for actual expenditures. There were larger carryover funds and unobligated balances last year, so that total obligations for fiscal year 1964 for title I were \$3,650,328,643. When we add carried-over balances and anticipated recoupments totaling \$163,800,000 to

the recommended new money to be appropriated this year, the total is \$3,463,800,000, which is almost \$200 million less for expenditure this year than was obligated last year.

In short, the administration had requested funds for a program equal to last year's program and we have cut it by approximately \$200 million. In reducing title I by \$16 million below the House Appropriations Committee figure, the Senate committee had the advantage of acting later in time and, therefore, having before it the very latest figure on carryover funds and recoupments. The Senate has cut \$8,472,400 under the House allowance for development loans, leaving a total of \$798,727,600, of which \$25 million is not new money but is the estimated total of carryover and deobligated funds.

The only other cut under the House Appropriations Committee figure is the item in title II for assistance to refugees in the United States, which are funds for the rehabilitation of Cubans in this country. We reduced the House figure by \$10.6 million while at the same time reappropriating available funds totaling \$7,600,000. Thus, the total reduction is \$3 million and represents a sum which the committee was informed may not be needed for the various programs for Cuban refugees this year.

The several language provisions and changes in the bill were covered by the Senator from Rhode Island [Mr. PASTORE]. I will just say here that I have studied these language provisions and agree to them. It has been an unusual sequence of events, wherein the House Appropriations Committee, and now the Senate Appropriations Committee, have acted prior to the issuance and approval of the conference report on the authorization bill. I believe, however, that this will do no harm in this instance, as the Senate Appropriations Committee action is within the bounds of both the Senate authorization bill and, of course, the higher House authorization bill. It closely reflects the action taken by the House Appropriations Committee.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PASTORE. Mr. President, I send to the desk an amendment and ask for its immediate consideration. My amendment would provide \$12 million for development research during the fiscal year 1965.

In section 113 on page 10 of the bill, the House limited the amount for development research to \$6 million. The Senate Appropriations Committee, on September 29, increased this sum to \$15 million, which is the full amount of the budget estimate.

There is a good possibility that if this amendment is agreed to, it will be unnecessary for the foreign aid appropriation bill to be sent to conference since, to the best of my knowledge, the Senate amendments are agreeable to the House.

Should there be a need for a conference on this bill, the amount agreed to

in conference for development research would undoubtedly be somewhere between \$6 million and \$15 million. With the \$12 million I am proposing, the administration will have twice as much as they would have had in the House bill, and I believe that this is a reasonable compromise.

When the bill was reported, there were discussions with the chairman of the subcommittee—that is the Representative who managed the bill on the floor of the House, Representative J. VAUGHAN GARY.

He advised me that if we reduced the limitation to \$12 million, there would be a strong possibility that the House might accept the Senate bill without a conference.

Mr. SALTONSTALL. Mr. President, would the Senator agree to the figure \$10 million instead of \$12 million?

Mr. PASTORE. I do not believe I have that authority in view of what has transpired. I believe that it ought to remain at \$12 million. I have had discussions with Mr. Bell. Mr. Bell stated that he could go along with the figure of \$12 million. I am afraid that if we cut it any further, we would have to negotiate.

Mr. SALTONSTALL. I was in favor of \$6 million. But, if the bill would be passed at \$12 million, and be acceptable without a conference, I agree.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, line 21, in the amendment of the committee, it is proposed to strike out "\$15,000,000" and insert "\$12,000,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the senior Senator from Rhode Island to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. ELLENDER. Mr. President, I did not know that the foreign assistance appropriation bill would come up so quickly. I have just returned from lunch and I will need a few moments to present my amendment. I hope that I may be allowed the necessary time to prepare my presentation to the Senate.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment.

Mr. ELLENDER. Mr. President, I send an amendment to the desk to reduce the appropriation for the contingency fund by \$50 million.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The CHIEF CLERK. It is proposed, on page 2, line 14, to strike out "\$149,200,000" and insert in lieu thereof "\$99,200,000".

Mr. ELLENDER. Mr. President, I am disappointed with the bill reported by the Appropriations Committee, and I would like to see reductions made in the bill of \$500 million. However, I am aware of the adjournment drive that is presently on, and I will not place obstacles in the path of the "adjournment express" because we have been in session long enough. Therefore, Mr. President, the sole amendment that I have offered provides that the contingency fund be funded with \$100 million for fiscal year 1965 instead of the \$150 million provided by the committee. To give the Agency an amount greater than this would amount to Congress condoning the countless misuses and abuses that have been made of this fund not only during the past year but ever since it was established 6 years ago.

Mr. President, permit me to cite some of the most recent abuses of the contingency fund:

As of April 30, 1964, just 2 months before the end of the fiscal year 1964, there was obligated out of the contingency fund a total of only \$7,907,000.

There was available in the contingency fund for obligation during fiscal year 1964, a total of \$184,774,000. Thus, there was still available for obligation as of April 30, just 2 months before the end of the fiscal year, approximately \$177 million. During the last 2 months of this fiscal year all but \$746,000 of the \$184 million was obligated.

Mr. President, in this connection, I ask unanimous consent to have printed in the RECORD at this point exhibits A and B which were prepared by the Agency for International Development and which substantiate the facts I have just presented.

There being no objection the material was ordered to be printed in the RECORD, as follows:

## EXHIBIT A

*Mutual defense and development program—Uses of the contingency fund, fiscal year 1964*

[In thousands of dollars]

Country	Amount programmed as of May 20, 1964	Amount obligated as of Apr. 30, 1964	Purpose
Far East:			
Laos.....	7,325	6,233	Air support costs and subsistence and other commercial consumables.
Thailand.....	485	100	Cost of transportation, essential spare parts, installation, maintenance, and operation of a U.S. Army portable radio transmitter lent to the Thai Government.
Vietnam.....	21,500	10	Funds required for procurement of essential commodities under the commodity impact program and for the counterinsurgency program, and for a counterinsurgency project.
Latin America:			
Bolivia.....	4,450		For expenses deferred when emergency expenses arising from a crisis in the national tin mines were financed.
Panama.....	3,150	105	Budgetary support and architectural and engineering services shortfall for school construction.
U.N. peacekeeping, Cyprus.....	424		For contribution to the special fund established by the Secretary General of the United Nations for support of a UN peacekeeping force on Cyprus.
Disaster relief, worldwide.....	4,079	1,459	For the relief of victims of natural disasters and civil strife.
Total.....	41,413	7,907	

*Uses of the contingency fund, fiscal year 1964—detail of amounts programmed for disaster relief, worldwide, as of May 20, 1964*

[In thousands of dollars]

Country	Purpose	Amount
Under Ambassador's authority:		
Costa Rica.....	Flood.....	10
Dominican Republic.....	Hurricane.....	1
Fiji Islands.....	Flood.....	10
India.....	Kashmir earthquake.....	5
Italy.....	Bellino Dam break.....	5
Libya.....	Flood.....	10
Martinique.....	Hurricane Edith.....	10
Nepal.....	Smallpox epidemic.....	1
Pakistan.....	Cyclone.....	10
Tanganyika.....	Earthquake.....	10
Thailand.....	Lopburi locust infestation.....	5
Reserve.....		53
Under AID/W approvals:		
Brazil.....	Bahia flood.....	20
Costa Rica.....	Volcano and flood.....	3,000
Cyprus.....	Civil strife.....	30
Haiti.....	Hurricane Flora.....	250
Korea.....	Cholera epidemic.....	35
Saudi Arabia.....	Flash flood.....	40
Trinidad-Tobago.....	Hurricane Flora.....	63
Total.....		4,079

## EXHIBIT B

*Foreign Assistance: Title I.—Status of fiscal year 1964 contingency fund as of June 30, 1964 (preliminary)*

[In thousands of dollars]

Resources	Amount	Uses	Amount
Appropriation.....	50,000	Sec. 610 transfer to other appropriations:	
Other availabilities:		To military assistance program.....	75,000
Unobligated carryover.....	127,099	To American schools and hospitals abroad.....	1,600
Reimbursements.....	2,400		
Recoveries (deobligations).....	5,275	Obligations <sup>1</sup> .....	76,600
	134,774	Unobligated balance.....	107,428
		Total.....	746
Total available.....	184,774		184,774

<sup>1</sup> Contingency fund obligations:

Country:	Thousands
Laos.....	\$8,850
Thailand.....	300
Vietnam.....	38,026
Bolivia.....	3,412
Brazil.....	50,000
Panama.....	150
U.N. peacekeeping—Cyprus.....	2,724
Disaster relief.....	3,966
Total obligations.....	107,428

## REMARKS

Air support costs and subsistence, and other commercial consumables.  
 Costs in connection with U.S. Army portable transmitter loaned to Thai Government.  
 Commodities for counter insurgency program and commercial import program.  
 Funds for budgetary support.  
 Loan for procurement of essential commodities.  
 A and E services shortfall for school construction.  
 To meet U.S. pledge to U.N. peacekeeping force in Cyprus.  
 Relief of victims of natural disasters and civil strife.

Mr. ELLENDER. Actually, Mr. President, during fiscal year 1964, about \$7 million of the obligations of these funds qualified as bona fide contingencies. This amount consists of approximately \$4 million spent for the relief of victims of natural disasters and civil strife. And a little over \$2.5 million spent to keep the peace in Cyprus. These amounts are shown in exhibit "A" which I have previously incorporated in the RECORD. Some of the nonemergency types of uses included the following: \$3,412,000 for budgetary support in Bolivia and \$50 million for a loan to Brazil.

Mr. President, I submit that there is no question but that in the case of both Bolivia and Brazil the Contingency Fund was abused. But even worse than these abuses was the transfer of funds from the Contingency Fund to other appropriation items.

The transfer of funds to other appropriations is permitted under section 610 of the Foreign Assistance Act of 1961, as amended. This section provides that up to 10 percent of any appropriation item may be transferred to another appropriation item, provided it does not exceed 20 percent of the appropriation item to which it has been transferred. To determine the amount that could be transferred from the Contingency Fund in fiscal year 1964 it is necessary to know what total funds were available in the fund for fiscal year 1964. This availability follows:

New appropriations-----	\$50,000,000
Reimbursements during year--	2,400,000
Unobligated carryover-----	127,099,000
Recoveries resulting from de-	
obligations-----	5,275,000
Making the total avail-	
able-----	184,774,000

Thus, Mr. President, it was possible under the law to transfer from the Contingency Fund up to 10 percent of the total amount available, or \$18,477,000. Actually, during the last 2 months of fiscal year 1964, there was transferred from the Contingency Fund \$75 million to the military assistance appropriation and \$1,600,000 to the appropriation of American schools and hospitals abroad, making the total transfers for the fiscal year 1964, \$76,600,000, or more than 40 percent of the total moneys available in the Contingency Fund.

Since there is this 10 percent limitation in section 610 of the Foreign Assistance Act of 1961 as amended, how can more than 40 percent be transferred from the Contingency Fund to other appropriation items? Mr. President, the answer is found in section 614(a) of the Foreign Assistance Act of 1961, as amended. This section provides that, whenever the President deems it necessary, he may use up to \$250 million that may be found anywhere in the bill, plus up to \$100 million of foreign currencies that can be found anywhere, subject only to the limitation that not more than \$50 million may be used in any one particular country.

The President saw fit to transfer \$75 million from the regular Contingency Fund to the military assistance appro-

priation rather than use the authority contained in section 510 of the act which has been established to provide for unforeseen emergencies occurring in the military field. This section provides that the President may, if he so determines, draw down from the military stock of the Department of Defense up to \$300 million of military equipment and supplies. Why was this authority not used?

The answer is simple. The contingency fund was raided instead of using the section 510 authority because it would be necessary for the Department of Defense to be reimbursed in the subsequent fiscal year for any equipment that may have been obtained under this authority.

Mr. President, the bill reported by the Appropriations Committee provides new obligational authority that is \$300 million more than the Congress appropriated for foreign aid last year, and if my amendment is adopted the administration will still have new obligational authority for fiscal year 1965 exceeding the amount provided last year by \$250 million.

Mr. President, under the authorization bill as it is now on the statute books, the President has almost unlimited transfer authority. He is able to shift funds from one item to another at will. But even if this flexibility is not enough, I submit that if any additional funds are necessary for military or economic purposes, he can submit his request to Congress when it convenes in January.

I believe it is important for the Senate to recall that when the authorization bill passed this way, we provided \$3.3 billion for fiscal year 1965. In addition, there was added to that bill an amendment, offered by the Senator from South Dakota [Mr. McGOVERN], providing that \$50 million be earmarked for the purchase of beef, poultry, and other high protein foods. I have reason to believe that the conferees on the authorization bill are going to strike that amendment; thus making the Senate authorization \$3,250 million instead of \$3.3 billion.

I wish to say to my good friend from Rhode Island that if my amendment is accepted the pending bill will be in line with the action that is anticipated on the authorization bill.

Mr. President, I urge the Senate to adopt my amendment and thereby save \$50 million for our taxpayers. Let us at least lighten their burden by this amount, and at the same time provide for some tightening of our foreign aid program.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PASTORE. I have discussed the subject with the ranking Republican member of the Appropriations Committee. While I am not in a position to agree with the Senator from Louisiana with reference to the use of the contingency fund in the case of Brazil—and I have discussed this at some length—the fact is that there is language in the authorization bill making \$50 million available for the purchase of meat and poultry. I understand that provision will be eliminated from the authorization bill.

Yet, the amount that was provided for these purposes has been left in the authorization bill.

For this reason, Mr. President, I shall not resist the Senator's amendment if it is put to a vote.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. SALTONSTALL. It is my understanding that the \$50 million appropriation has been stricken out.

Mr. PASTORE. It was \$50 million. There was language stating that \$50 million must be used for the purchase of beef and poultry.

Mr. SALTONSTALL. They had to spend up to \$50 million.

Mr. PASTORE. Yes.

Mr. SALTONSTALL. The \$50 million amount was left in the bill.

Mr. PASTORE. Yes.

Mr. ELLENDER. Yes.

Mr. SALTONSTALL. I am glad to go along with the Senator from Rhode Island.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H.R. 11812) was passed.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SALTONSTALL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I ask that the RECORD show that I voted against the bill.

The PRESIDING OFFICER. Without objection, the RECORD will so indicate.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT OF EMPLOYMENT ACT OF 1946

Mr. CLARK. Mr. President, I introduce, for appropriate reference, a bill amending the Employment Act of 1946. I ask that it remain on the desk for 1 week for cosponsors and that the text of the bill be printed at the conclusion of my remarks.

The contents of this bill are derived from the work of the Subcommittee on





# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

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OFFICE OF  
BUDGET AND FINANCE

(For information only;  
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For actions of Oct. 2, 3, 1964

88th-2nd; Nos. 190  
and 191

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HIGHLIGHTS: Both Houses concurred in modified supplemental appropriation bill. Both Houses agreed to conference report on foreign aid authorization bill. House concurred in Senate amendments to foreign aid appropriation bill. House passed forest roads and trails bill.

SENATE - Oct. 2

- received (H. Rept. 1928) and
1. SUPPLEMENTAL APPROPRIATION BILL, 1965. Both Houses/agreed to the conference report on this bill, H. R. 12633, and acted on all amendments in disagreement, except for one Senate amendment regarding student education loans (pp. 22921-23, 23059-60). Attached to this Digest is a summary table showing items for this Department. The bill also includes items for the National Commission on Food Marketing; National Commission on Technology, automation, and Economic Progress; Office of Water Resources Research; Public Land Law Review Commission; Appalachian Regional Commission; and claims and judgments.
  2. FOREIGN AID. Both Houses agreed to the conference report on H. R. 11380, the foreign aid authorization bill (pp. 22765-73, 22847-51). This bill will now be sent to the President. See Digest 189 for items of interest.  
Sen. Hayden inserted a table showing foreign aid appropriations for fiscal year 1965. pp. 23074-5
  3. NATURAL RESOURCES. Sen. Morse reviewed and criticized the organization of natural resource activities in the Federal Government and urged the establishment of a Department of Natural Resources. pp. 22837-40
  4. FARM LABOR. Sen. Kuchel reviewed farm labor problems in Calif. and urged action to extend the Mexican farm labor program. pp. 23075-87
  5. CONSERVATION. Sen. Allott commended the enactment of conservation legislation during the 88th Congress and inserted an address by Sen. Hruska supporting conservation measures. p. 22703
  6. FOREIGN TRADE. Sen. Mansfield inserted an address by a vice president of Pan American World Airways, "The Fruits of Sound Trade Policies." pp. 22714-6
  7. EDUCATION. Agreed to the Conference report on S. 3060, to extend and amend the National Defense Education Act of 1958 and laws providing aid to schools in federally impacted areas. This bill will now be sent to the President. pp. 22728-47
  8. ELECTRIFICATION. Sen. Metcalf inserted resolutions of the National Farmers Union supporting water resource development projects and public power projects. pp. 22756-7
  9. LEGISLATIVE ACCOMPLISHMENTS. Sens. Mansfield, Javits, and Dirksen inserted summaries of legislative accomplishments, including those relating to agriculture. pp. 22760-1, 23034-9, 23061-69

HOUSE - Oct. 2

10. FOREIGN AID. Concurred in Senate amendments to H. R. 11812, the foreign aid appropriation bill for 1965. This bill will now be sent to the President. pp. 22943-5
11. FOREST ROADS AND TRAILS. Passed without amendment S. 1147, to enable the Secretary of Agriculture to construct and maintain an adequate system of roads and trails for the national forests. This bill will now be sent to the President. p. 22866



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 88<sup>th</sup> CONGRESS, SECOND SESSION

Vol. 110

WASHINGTON, FRIDAY, OCTOBER 2, 1964

No. 190—Pt. 2

## House of Representatives

(Proceedings of the House of Representatives continued from Part 1)

### FOREIGN ASSISTANCE APPROPRIATIONS, FISCAL YEAR 1965

Mr. GARY. Mr. Speaker, as my last official act on the floor of this House, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11812) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1965, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 8, strike out "Development grants" and insert "Technical cooperation and development grants".

Page 2, line 11, strike out "\$18,000,000" and insert "\$16,800,000".

Page 2, line 13, strike out "\$2,100,000" and insert "\$1,600,000".

Page 2, line 17, strike out "\$405,000,000" and insert "\$401,000,000".

Page 2, line 19, strike out "\$150,000,000" and insert "\$99,200,000".

Page 2, line 21, strike out "\$85,000,000" and insert "\$84,700,000".

Page 2, line 26, strike out "\$782,200,000" and insert "\$773,727,600".

Page 3, line 5, strike out "\$52,500,000" and insert "\$51,200,000".

Page 4, line 12, after "projects" insert "or programs".

Page 5, line 17, after "fund" insert "Alliance for progress, development loans".

Page 8, line 5, strike out "obligation" and insert "expenditure".

Page 8, lines 13 and 14, strike out "adversely effect the economy of the United States" and insert "result in adverse effects upon the economy of the United States or the industrial mobilization base which outweigh the economic or other advantages to United States of less costly procurement outside the United States".

Page 10, line 16, strike out "\$6,000,000" and insert "\$12,000,000".

Page 12, line 11, strike out "\$20,500,000" and insert "\$20,850,000".

Page 14, line 15, strike out "\$45,400,000" and insert "\$34,800,000 together with the unobligated balance of the appropriation under this head for the fiscal year 1964".

Page 14, line 15, after "\$45,400,000" insert "Provided, That the final sentence in section 2(e) of the Migration and Refugee Assistance Act of 1962 is hereby repealed".

Page 19, after line 2, insert:

"SEC. 404. The appropriations, funds, other authorizations, and authority with respect thereto in this Act shall be available from October 1, 1964, for the purposes provided in such appropriations, funds, other authorizations, and authority. All obligations incurred during the period between September 30, 1964, and the date of enactment of this Act in anticipation of such appropriations, funds, other authorizations, and authority are hereby ratified and confirmed if in accordance with the terms thereof."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. RHODES of Arizona. Mr. Speaker, reserving the right to object, and I have no intention of objecting, will the gentleman from Virginia please take a few minutes to explain the amendments which the Senate has added to the bill?

Mr. GARY. Mr. Speaker, I shall be very happy to do so.

Mr. Speaker, the foreign aid appropriation bill for the fiscal year 1965 as amended by the Senate is \$296,300,000 under the budget estimates. It is \$77,172,400 under the bill passed by the House.

I know that under those circumstances my good friend, the gentleman from Iowa [Mr. GROSS] is not going to want to agree to the amendments, but I assure him that this is a good bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GARY. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. Again let me say that I am opposed to the foreign handout program. I appreciate the fact that the bill is some \$77 million below the House figure which leads me to this conclusion, that the House did not do a very good job of holding down the bill when it passed the House. If there is no rollcall I want the RECORD to show that I am opposed to it.

Mr. GARY. Mr. Speaker, may I say to the gentleman that the House, in my judgment, did a very good job.

The bill also contains funds for the foreign assistance program—title I of the bill—which is \$256,972,400 below the amount authorized by the conference report, which the House has just adopted.

While it may appear on the surface that the Congress is appropriating more money for title I—foreign aid—than it did last year, there is an actual reduction in funds available to the program of approximately \$235 million due to the fact that there is not as big a carryover of funds into fiscal 1965 as compared to a carryover of approximately \$400 million into fiscal 1964.

I believe the amount of funds recommended is adequate to enable the President to carry out the foreign aid program during the current fiscal year.

One item I would like to comment on is the malaria eradication program. As the gentleman knows, our committee has always looked with favor upon that program and I know the gentleman agrees with me in saying that it is our hope that the total reduction in the estimates for the foreign aid program will have no effect upon the proposed program for the malaria eradication program for fiscal year 1965.

Mr. RHODES of Arizona. I certainly agree with the gentleman from Virginia and I hope the AID will adequately fund this important program during the current fiscal year.

Mr. GARY. Mr. Speaker, I am a little concerned about the \$99.2 million recommended for the President's contingency fund. I believe we are cutting that vital appropriation a little too closely. However, if a need should arise for additional funds—and this is for emergencies—I am sure the Congress will give sympathetic consideration to a request for such emergency funds as may be necessary.

I include at this point a table showing pertinent comparisons of the foreign assistance appropriation bill for fiscal 1965:

## Summary tabulation, foreign assistance appropriation bill, 1965

## TITLE I—FOREIGN ASSISTANCE

Item	Appropriations, 1964	Budget estimates, 1965	Passed House	Passed Senate	Senate bill compared with—		
					1964 appropriations	Budget estimates	House bill
FUNDS APPROPRIATED TO THE PRESIDENT							
ECONOMIC ASSISTANCE							
Development grants.....	\$155,000,000	\$224,600,000	\$204,600,000	\$204,600,000	+\$49,600,000	—\$20,000,000	-----
American schools and hospitals abroad.....	14,300,000	18,000,000	18,000,000	16,800,000	+2,500,000	—1,200,000	—\$1,200,000
American hospitals abroad (special foreign currency program).....	4,700,000	-----	-----	-----	—4,700,000	-----	-----
Surveys of investment opportunities.....	-----	2,100,000	2,100,000	1,600,000	+1,600,000	—500,000	—500,000
International organizations and programs.....	116,000,000	134,400,000	134,272,400	134,272,400	+18,272,400	—127,600	-----
Supporting assistance.....	330,000,000	405,000,000	405,000,000	401,000,000	+71,000,000	—4,000,000	—4,000,000
Contingency fund.....	50,000,000	150,000,000	150,000,000	99,200,000	+49,200,000	—50,800,000	—50,800,000
Inter-American social and economic cooperation program.....	135,000,000	-----	-----	-----	—135,000,000	-----	-----
Alliance for Progress:	-----	-----	-----	-----	-----	-----	-----
Development grants.....	80,000,000	85,000,000	85,000,000	84,700,000	+4,700,000	—300,000	—300,000
Development loans.....	375,000,000	465,000,000	425,000,000	425,000,000	+50,000,000	—40,000,000	-----
Development loans.....	687,300,000	922,200,000	782,200,000	773,727,600	+86,427,600	—148,472,400	—8,472,400
Administrative expenses, AID.....	50,000,000	52,500,000	52,500,000	51,200,000	+1,200,000	—1,300,000	—1,300,000
Administrative expenses, State.....	2,700,000	2,900,000	2,900,000	2,900,000	+200,000	-----	-----
Subtotal, economic assistance.....	2,000,000,000	2,461,700,000	2,261,572,400	2,195,000,000	+195,000,000	—266,700,000	—66,572,400
MILITARY ASSISTANCE							
Military assistance.....	1,000,000,000	1,055,000,000	1,055,000,000	1,055,000,000	+55,000,000	-----	-----
Limitation on administrative expenses.....	(24,000,000)	(23,500,000)	(23,500,000)	(23,500,000)	(—500,000)	-----	-----
Total, title I, foreign assistance.....	3,000,000,000	1 3,516,700,000	1 3,316,572,400	3,250,000,000	+250,000,000	—266,700,000	—66,572,400

## TITLE II—FOREIGN ASSISTANCE (OTHER)

<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>							
Peace Corps.....	\$92,100,000	\$106,100,000	\$87,100,000	\$87,100,000	-\$5,000,000	-\$19,000,000	-----
<b>DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS</b>							
Ryukyu Islands, Army, administration.....	10,000,000	14,441,000	14,441,000	14,441,000	+4,441,000	-----	-----
<b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE</b>							
Assistance to refugees in the United States.....	39,717,137	45,400,000	45,400,000	34,800,000	-4,917,137	-10,600,000	-10,600,000
<b>DEPARTMENT OF STATE</b>							
Migrants and refugees.....	10,550,000	8,200,000	8,200,000	8,200,000	-2,350,000	-----	-----
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>							
Inter-American Development Bank.....	50,000,000	205,880,000	205,880,000	205,880,000	+155,880,000	-----	-----
International Development Association.....	61,656,000	61,656,000	61,656,000	61,656,000	-----	-----	-----
Total, title II, foreign assistance (other).....	264,023,137	441,677,000	422,677,000	412,077,000	+148,053,863	-29,600,000	-10,600,000

## TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating expenses.....	(\$1,314,866,000)	(\$1,550,060,000)	(\$1,550,060,000)	(\$1,550,060,000)	(+\$235,694,000)	-----	-----
Limitation on administrative expenses.....	(5,600,000)	(3,781,000)	(3,781,000)	(3,781,000)	(+231,000)	-----	-----
Total title III, Export-Import Bank.....	(1,317,866,000)	(1,553,841,000)	(1,553,841,000)	(1,553,841,000)	(+35,975,000)	-----	-----
Grand total, all titles.....	3,264,023,137	3,958,377,000	3,739,249,400	3,662,077,000	+398,053,863	-\$269,300,000	-\$77,172,400

<sup>1</sup> In addition, all unobligated balances to be reappropriated.

<sup>2</sup> In addition an estimated \$17,000,000 in unobligated funds as of June 30, 1964, is reappropriated.

Mr. GROSS. Mr. Chairman, will the gentleman from Arizona yield?

Mr. RHODES of Arizona. I yield to the gentleman from Iowa.

Mr. GROSS. I ask the gentleman from Arizona if he does not agree that this \$77 million cut, the total is fairly close to the target that was set when the hearings were held by the distinguished gentleman from Louisiana [Mr. PASSMAN].

Mr. RHODES of Arizona. As I recall the target that the gentleman from Louisiana [Mr. PASSMAN] and I set, it was somewhere in the neighborhood of \$3 billion. So I say to my friend the gentleman from Iowa [Mr. GROSS] that this is not yet in the area that we had hoped to arrive at when this bill first began on its legislative path. But it is better than the House bill.

In the colloquy which has just occurred on the floor I am with the gentleman from Iowa. I am sorry to say that in this one instance—in fact, this is the first time, I believe, that this has occurred since I have been on the Appropriations Committee—that the Senate has actually cut a House appropriation bill which, in my opinion, certainly would lend itself to the thought that maybe the House appropriated too much money originally.

Mr. GROSS. And if the gentleman from Arizona will yield further, perhaps augers well for the future?

Mr. RHODES of Arizona. I hope so.

Mr. ROONEY of New York. Mr. Speaker, will the distinguished gentleman from Arizona yield?

Mr. RHODES of Arizona. I yield to the gentleman from New York.

Mr. ROONEY of New York. I might say to the gentleman from Arizona that after almost 20 years of service on the Committee on Appropriations I can recall this sort of thing having happened previously. I believe that once or maybe twice over that period of 20 years the Senate has appropriated under the amount previously approved by the House.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Virginia.

Mr. GARY. May I say to the gentleman that at least I believe we are establishing one record, because I have served in this Foreign Operations Subcommittee since it was first created and I believe this is the first time that the foreign aid appropriation bill has been

enacted into law without being referred to a conference committee. So the House and Senate have gotten pretty close together.

Mr. RHODES of Arizona. I might say to my good friend the gentleman from Virginia [Mr. GARY] I believe there is another first: Insofar as I know this is the first time since I have been on the committee that this bill has not been the last appropriation bill to pass at any session of the Congress.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. GARY. Mr. Speaker, I ask unanimous consent to include in the RECORD following my remarks a table making pertinent comparisons of the appropriation bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### APPOINTMENT OF MEMBERS TO THE PUBLIC LAND LAW REVIEW COMMISSION

The SPEAKER. Pursuant to the provisions of section 3, Public Law 88-606, the Chair appoints as members of the Public Land Law Review Commission the following members on the part of the House: Mr. ASPINALL, Mr. O'BRIEN, Mr. WHITE, Mr. SAYLOR, Mr. KYL, and Mr. BURTON of Utah.

#### SUPPLEMENTAL APPROPRIATION BILL, 1965

Mr. MAHON. Mr. Speaker, pursuant to the unanimous-consent agreement made yesterday, I call up for immediate consideration the conference report on the bill (H.R. 12633) making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, the gentleman proposes to take some time to discuss this conference report?

Mr. MAHON. I do.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For the conference report and statement, see proceedings of the House of October 2, 1964.)

Mr. MAHON. Mr. Speaker, this is the conference report on the final appropriation bill of the session. With respect to appropriations for the session, it now ap-

pears that we will have appropriated, after this bill is passed, about \$127,000,000 more for fiscal year 1965 than we appropriated for the fiscal year 1964. That is the preliminary indication. Furthermore, as the House knows, the last official estimate from the executive branch is that we will spend less in fiscal 1965 than in fiscal 1964. I would say that is holding the line pretty well under all the circumstances.

We have reduced the budget estimates of appropriations in this session in excess of \$4 billion; the tentative cut is \$4,134,000,000. We shall shortly submit for the RECORD a more detailed statement on the appropriation business of the session.

The conference report which is now before us was predicated upon budget submissions totaling \$1,480,951,000. All of these budget requests did not come to the House Committee on Appropriations. Some of them were not ready at the time the bill was before the House. In round figures, \$110 million in the budget submission was directed to the initial attention of the Senate.

#### The supplemental, 1965

A. Budget estimates considered—		
By the House	-----	\$1,370,468,374
Additional estimates by the Senate	-----	110,482,994
Estimates considered (including \$150,000,000 of 1966 transit funds)		\$1,480,951,368
B. House bill	-----	998,645,874
\$371,822,500 under estimates considered, including the \$150,000,000 transit item.		
C. Senate bill	-----	1,220,098,068
\$260,853,300 under estimates, including cut of \$150,000,000 transit item.		
\$221,462,194 above House bill.		
D. Conference bill	-----	1,117,196,068
\$363,755,400 under budget estimates.		
\$118,550,134 above House.		
\$102,902,000 under Senate.		

I might say that the conference with the Senate was rather pleasant. It was opened in a most unique way. Today is the 87th birthday of the distinguished Senator from Arizona, Mr. HAYDEN, the chairman of the Senate Appropriations Committee. In a very unorthodox way, we began the conference by singing "Happy Birthday to CARL HAYDEN." I know we reflected the sentiments of the entire membership of the House when we paid tribute to this great American, a former Member of this body.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. I have several questions to ask the gentleman.

First of all, do I correctly understand that the bill as it now stands is \$118,550,000 above the bill as it left the House?

Mr. MAHON. The gentleman is correct. We would point out that \$45 million of that, for example, is represented by a budget submission for small business loans which was sent directly to the other body. Then there are certain funds provided as a result of disasters throughout the country.

The various items are explained in the report statement, which, of course, I fully realize the gentleman from Iowa has not had opportunity to see.

Mr. GROSS. The total of the bill as it now stands is what?

Mr. MAHON. It is \$1,117 million, plus. This is above the amount passed by the House, and we rather expected it to be above the figure as it passed the

This conference report contains appropriations of about \$1,117,000,000.

The conference agreement is under the budget estimates by about \$363,000,000.

The conference agreement is above the House bill by about \$118,000,000.

It is under the Senate bill by \$102,000,000-plus.

The men who worked on the conference for the House were the gentleman from Texas [Mr. THOMAS], the gentleman from Ohio [Mr. KIRWAN], the gentleman from Mississippi [Mr. WHITTEN], the gentleman from New York [Mr. ROONEY], the gentleman from Rhode Island [Mr. FOGARTY], the gentleman from Iowa [Mr. BENSEN], the gentleman from Washington [Mr. HORAN], the gentleman from Ohio [Mr. BOWL], the gentleman from Wisconsin [Mr. LAIRD], and myself.

Under the circumstances, we think a reasonably good job was done in arriving at the conference agreements.

I include a more precise summary of the totals for the bill:

House because the other body considered certain requirements which were not considered by this body.

Mr. GROSS. I would like to ask why the \$4 million increase in rural housing for domestic farm labor?

Mr. MAHON. That was not agreed to in conference. It was stricken out. There is nothing in here for it.

Mr. GROSS. It was not agreed to?

Mr. MAHON. No, it was not agreed to. It was strongly presented, but the House did not agree.

Mr. GROSS. As the gentleman well knows, I am working at a disadvantage in not having the figures adopted in conference.

Mr. MAHON. I realize that this is true.

Mr. GROSS. I trust the gentleman will bear with me.

It is a small item, but was there an increase of \$25,000 for the District of Columbia? And I should also like to ask the gentleman at the same time whether there is any money in this supplemental appropriation bill to help bail out the District of Columbia Stadium?

Mr. MAHON. There is no money for the stadium here. The \$25,000 for the District of Columbia to which the gentleman refers is for the Public Utilities Commission to carry out the provisions of the recently enacted District of Columbia Securities Act. This is another of those items that went directly to the Senate. I will ask the gentleman from Kentucky [Mr. NATCHER] if I am correct in this. He is chairman of the Subcommittee on the District of Columbia.

Mr. NATCHER. The statement is correct, Mr. Speaker.

Mr. GROSS. On page 37 of the Senate report I note an increase of \$350,000 with respect to the National Commission on Technology, Automation, and Economic Progress.

Was this adopted in conference?

Mr. MAHON. The budget estimate was \$1 million. The House cut it to \$650,000. The other body put in the total of \$1 million. In conference the figure of \$825,000 was agreed to.

Mr. GROSS. So there is an increase, then, of around \$200,000 in the part of the House?

Mr. MAHON. \$175,000.

Mr. GROSS. I mean above the House figure.

Mr. MAHON. Yes.

Mr. GROSS. Well, they did pretty well, then.

With respect to the so-called poverty appropriation the Senate report shows an increase of \$111,550,000.

Mr. MAHON. I would like to say to my friend from Iowa, with respect to the anti-poverty program, the budget estimate was \$947,500,000. The House recommended an appropriation of \$750 million. The other body raised this by \$111,550,000. The House conferees felt that this sum was too much, and after considerable discussion the figure of \$800 million was agreed to, which is \$147,500,000 less than the budget request.

Mr. GROSS. Then it is \$50 million more than the House bill. Is that correct?

Mr. MAHON. It is \$50 million more than the House bill and \$61,550,000 less than the Senate bill. We got better than an even split, in other words.

Mr. GROSS. Now, with respect to the proposal for a new canal, that is, a new sea-level canal study, what was the increase, if any, or the decrease in that appropriation?

Mr. MAHON. With respect to the Inter-oceanic Canal Commission, the budget estimate was \$5 million. The other body put in \$400,000. This figure was finally agreed on in conference. The language in the Senate version of the bill making the funds "available until expended" was stricken.

Mr. GROSS. So now there is \$400,000 for the initiation of preliminary studies for that purpose. Is that correct?

Mr. MAHON. The gentleman is correct.

Mr. GROSS. I see. And do I understand there is a \$300,000 increase for the International Boundary and Water Commission?

Mr. MAHON. This was one of the items in conference. That is one place where the House conferees yielded to the wishes of the Senate, and we provided the whole budget estimate of \$300,000.

Mr. GROSS. Where is this money to be spent and for what purpose?

Mr. ROONEY of New York. Mr. Speaker, will the distinguished gentleman yield to me?

Mr. MAHON. I yield to the gentleman.

Mr. ROONEY of New York. It is my understanding that part of this money for the International Boundary and Wa-

ter Commission, United States and Mexico, will be used to clean out some rattlesnakes down in Arizona; and that is a serious statement.

Mr. GROSS. None of it will be spent in Texas—if we are getting that close—do you mean to say that none of it will be spent in Texas?

Mr. ROONEY of New York. No. This is for the emergency clearing of vegetation and sediment deposits in the lower Colorado River. That was authorized by a bill which passed the Congress as recently as the 10th of August, now known as Public Law 88-411.

Mr. GROSS. In respect to the Equal Employment Opportunity Commission, what happened? And what happened with respect to the appropriation for civil rights?

Mr. MAHON. Mr. Speaker, I yield to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY of New York. Insofar as the Equal Employment Opportunity Commission is concerned, for salaries and expenses, the request originally was in the amount of \$2.5 million. The House allowed this amount. The other body allowed \$2 million.

The action of the conference today was to split the difference between the positions of the House and of the Senate, and it is therefore carried in the pending conference report at \$2,250,000 for this purpose.

This Commission is very important. This is the Commission which is going to see that there is no discrimination on account of, among other things, sex.

Mr. GROSS. Well, that is enlightening. At an increased cost of \$250,000?

Mr. ROONEY of New York. No, at a reduced cost of \$250,000.

Mr. GROSS. Above the House figure?

Mr. MAHON. Lower than the House figure.

Mr. GROSS. Did the total figures for the Civil Rights Commission increase or did you stay with the House figures on that Commission?

Mr. ROONEY of New York. There was no change in the figure for the Civil Rights Commission.

Mr. GROSS. I thank the gentleman for yielding.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa, the ranking minority member of the Committee on Appropriations, the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, our chairman, the gentleman from Texas [Mr. MAHON], has already explained the bill. I do want to say that, of course, most every Member of Congress and a great many people throughout this country know I voted against this billion dollar supplemental bill when it was before the House recently. I have not changed my mind one iota. Hence I could not find it proper to sign the conference report. I want that to be known, also.

There are at least two items in this conference report which I could approve wholeheartedly. Those are the \$45 million for small business and the funds provided for the Defense Education Act. But I could not swallow all the rest of

the wormy apples just because there were a few good apples in the barrel.

Mr. Speaker, it is true that we have reduced the President's budget, as the chairman has just announced, but the other body saw fit to increase the House figures in this bill by \$221 million.

It was no small job, I might say, in conference to get that reduced to \$118 million, which is \$102 million plus below what the other body had put in their bill.

Now, in closing, let me say that we have not, in this Congress, done too badly with this huge budget of \$98,297,358,000 which the President sent up here this session.

The Congress up to this time has appropriated \$94,162,919,000, or a reduction below the President's budget of \$4,134,439,000. When you add that to the \$6.5 billion by which the Congress reduced the budget requests last session, that is a reduction that the 88th Congress has made below the President's budgets for 1964 and 1965 of about \$10.6 billion. This represents a saving for each American family on an average of over \$200, which is not hay, as we say out in Iowa. I think the American people will appreciate that. However, I must say that it should have been reduced by at least twice that much and we would have hurt nobody and no agency of the Government.

Mr. Speaker, I think that the Congress should be thanked for a job which was most difficult to do in reducing these two budget requests by about \$10.6 billion. I hope that we can finally bring the budget into balance and save this country from financial destruction.

The SPEAKER pro tempore (Mr. McFALL). The time of the gentleman has expired.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. I would simply like to join my colleague from Iowa [Mr. JENSEN] in his opposition to this bill. I want the RECORD to show, if there is not a roll-call, that I am opposed to it.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield for a question.

Mr. JENSEN. I also want to make it known that if a vote comes on this bill, I shall vote no.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Florida.

Mr. CRAMER. I understand the other body has added to item No. 50 regarding the Department of the Army rivers and harbors and flood control general investigations \$350,000, "provided that this appropriation shall become effective only upon enactment into law of S. 2782 or similar legislation," which is the Appalachia bill. The purpose of the \$350,000 was to attempt to implement section 206 of that bill. I am sure the gentleman is fully aware of the fact the House has not considered the matter, and I would like to ask the gentleman as to the disposition of this item in conference.







## An Act

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1965, namely:

Foreign Assistance and Related Agencies Appropriation Act, 1965.

### TITLE I—FOREIGN ASSISTANCE

#### FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, as amended, to remain available until June 30, 1965, unless otherwise specified herein, as follows:

75 Stat. 424.  
22 USC 2151 note.

#### ECONOMIC ASSISTANCE

Technical cooperation and development grants: For expenses authorized by section 212, \$204,600,000.

Ante, p. 1009.

American schools and hospitals abroad: For expenses authorized by section 214(c), \$16,800,000.

Surveys of investment opportunities: For expenses authorized by section 232, \$1,600,000.

Ante, p. 1010.

International organizations and programs: For expenses authorized by section 302, \$134,272,400.

Supporting assistance: For expenses authorized by section 402, \$401,000,000.

Contingency fund: For expenses authorized by section 451(a), \$99,200,000.

Alliance for Progress, development grants: For expenses authorized by section 252, \$84,700,000.

78 STAT. 1015.

Alliance for Progress, development loans: For assistance authorized by section 252, \$425,000,000, to remain available until expended.

78 STAT. 1016.

Development loans: For expenses authorized by section 202(a), \$773,727,600, to remain available until expended: *Provided*, That no part of this appropriation may be used to carry out the provisions of section 205 of the Foreign Assistance Act of 1961, as amended.

75 Stat. 426;  
77 Stat. 380.  
22 USC 2162.  
22 USC 2165.

Administrative expenses: For expenses authorized by section 637(a), \$51,200,000.

Ante, p. 1014.

Administrative and other expenses: For expenses authorized by section 637(b) of the Foreign Assistance Act of 1961, as amended, and by section 305 of the Mutual Defense Assistance Control Act of 1951, as amended, \$2,900,000.

75 Stat. 463.  
22 USC 1613d.

Unobligated balances as of June 30, 1964, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, except as otherwise provided by law, are hereby continued available for the fiscal year 1965, for the same general purposes for which appropriated and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance," are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such purpose relates to a project or program previously justified to Congress

68 Stat. 830.  
31 USC 200.  
68 Stat. 832;  
75 Stat. 460.  
22 USC 1750-  
1951 notes.  
Notification of  
congressional  
committees.

and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects or programs.

Of the foregoing amounts for economic assistance, \$300,000,000 shall be available for obligation only through the apportionment review and approval procedure prescribed by law in such amounts and at such times as may be determined by the President in the national interest that funds otherwise available for the purposes of programs under this title are insufficient to meet the cost of additional authorized projects or programs.

#### MILITARY ASSISTANCE

Military assistance: For expenses authorized by section 504(a) of the Foreign Assistance Act of 1961, as amended, including administrative expenses authorized by section 636(g) (1) of such Act, which shall not exceed \$23,500,000 for the current fiscal year, and purchase of passenger motor vehicles for replacement only for use outside the United States: *Provided*, That none of the funds contained in this paragraph shall be available for the purchase of new automotive vehicles outside of the United States, \$1,055,000,000.

#### GENERAL PROVISIONS

Ante, p. 1011.  
75 Stat. 457.  
22 USC 2396.  
78 STAT. 1016.  
78 STAT. 1017.

Flood control  
and reclamation  
programs, etc.

SEC. 101. None of the funds herein appropriated (other than funds appropriated under the authorization for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per memorandum of the President dated May 15, 1962.

Engineering and  
architectural  
fees.  
Reports to con-  
gressional com-  
mittees.

SEC. 102. Obligations made from funds herein appropriated for engineering and architectural fees and services to any individual or group of engineering and architectural firms on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

Restrictions.

SEC. 103. Except for the appropriations entitled "Contingency fund", "Alliance for Progress, development loans", and "Development loans", not more than 20 per centum of any appropriation item made available by this title shall be obligated and/or reserved during the last month of availability.

SEC. 104. None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

Seating of Com-  
munist China in  
U. N., opposition.

SEC. 105. The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relation-

59 Stat. 1031.

ships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

SEC. 106. It is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title these principles shall be applied as the President may determine.

Racial or religious discrimination.

SEC. 107. (a) No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba, so long as it is governed by the Castro regime, in addition to those items contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended, any arms, ammunition, implements of war, atomic energy materials, or any other articles, materials, or supplies of primary strategic significance used in the production of arms, ammunition, and implements of war or of strategic significance to the conduct of war, including petroleum products.

Cuba.  
Restriction on assistance to certain countries.  
22 USC 2151 note.  
65 Stat. 644.  
22 USC 1611-1611d.

(b) No economic assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry items of economic assistance to Cuba, so long as it is governed by the Castro regime, unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

Presidential determination of assistance.  
Report to congressional committees.

SEC. 108. Any expenditure made from funds provided in this title for procurement outside the United States of any commodity in bulk and in excess of \$100,000 shall be reported to the Committees on Appropriations of the Senate and the House of Representatives at least twice annually: *Provided*, That each such report shall state the reasons for which the President determined, pursuant to criteria set forth in section 604(a) of the Foreign Assistance Act of 1961, as amended, that foreign procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base which outweigh the economic or other advantages to United States of less costly procurement outside the United States.

Publication in Federal Register.

Procurement outside U. S.  
Report to congressional committees.

75 Stat. 439.  
22 USC 2354.

SEC. 109. (a) No assistance shall be furnished to any nation, whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended, for any arms, ammunition, implements of war, atomic energy materials, or any articles; materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

Communist nations.  
Furnishing of strategic materials, prohibition.

(b) No economic assistance shall be furnished to any nation whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended (except section 214(b)), unless the President determines that the withholding

Economic assistance.  
Presidential determination.  
22 USC 2174.

78 STAT. 1019.

Report to congressional committees.  
Publication in Federal Register.

of such assistance would be contrary to the national interest and reports such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

22 USC 2151 note.

SEC. 110. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

Citizens employed outside U. S.  
Loyalty investigations.

SEC. 111. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any contract for the performance of services outside the United States by United States citizens where such citizens have not been investigated for loyalty and security in the same manner and to the same extent as would apply if they were regularly employed by the United States.

Capital projects.  
U. S. approval.

SEC. 112. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any capital project financed by loans or grants from the United States where the United States has not directly approved the terms of the contracts and the firms to provide engineering, procurement, and construction services on such projects.

75 Stat. 433;  
77 Stat. 382.  
22 USC 2201.

SEC. 113. Of the funds appropriated or made available pursuant to this Act not more than \$12,000,000 may be used during the fiscal year ending June 30, 1965, in carrying out section 241 of the Foreign Assistance Act of 1961, as amended.

SEC. 114. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages or dues of any member of the United Nations.

68 Stat. 456;  
71 Stat. 345.  
7 USC 1704.

SEC. 115. Foreign currencies not to exceed \$200,000, made available for loans pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred incident to such loans.

SEC. 116. None of the administrative expense or other funds herein appropriated shall be available in connection with the use of receipts of United States dollars, derived from loan repayments and interest collections in the Development Loan Fund and Alliance for Progress revolving funds.

Underdeveloped countries.  
Construction work.

SEC. 117. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be obligated on or after April 30, 1964, for financing, in whole or in part, the direct costs of any contract for the construction of facilities and installations in any underdeveloped country, unless the President shall, on or before such date, have promulgated regulations designed to assure, to the maximum extent consistent with the national interest and the avoidance of excessive costs to the United States, that none of the funds made available by this Act and thereafter obligated shall be used to finance the direct costs under such contracts for construction work performed by persons other than qualified nationals of the recipient country or

qualified citizens of the United States: *Provided, however,* That the President may waive the application of this amendment if it is important to the national interest.

## TITLE II—FOREIGN ASSISTANCE (OTHER)

### FUNDS APPROPRIATED TO THE PRESIDENT

#### PEACE CORPS

For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act (75 Stat. 612), as amended, including purchase of not to exceed five passenger motor vehicles for use outside the United States, \$87,100,000, together with not to exceed \$17,000,000 of funds previously appropriated which are hereby continued available for the fiscal year 1965, of which not to exceed \$20,850,000 shall be available for administration and program support costs.

77 Stat. 359.  
22 USC 2502.

### DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

#### RYUKYU ISLANDS, ARMY

##### ADMINISTRATION

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government of the Ryukyu Islands, as authorized by the Act of July 12, 1960 (74 Stat. 461), as amended (76 Stat. 742); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of individuals not to exceed ten in number; not to exceed \$4,000 for contingencies for the High Commissioner, to be expended in his discretion; hire of passenger motor vehicles and aircraft; purchase of four passenger motor vehicles, for replacement only; and construction, repair, and maintenance of buildings, utilities, facilities, and appurtenances; \$14,441,000, of which not to exceed \$2,441,000 shall be available for administrative and information expenses, and \$4,000,000 shall be available for transfer to the Ryukyu Domestic Water Corporation for construction of a portion of the integrated island water system: *Provided*, That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355 and 3648, Revised Statutes, as amended, section 4774(d) of title 10, United States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred.

60 Stat. 810.

40 USC 255;  
31 USC 529.  
70A Stat. 269.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ASSISTANCE TO REFUGEES IN THE UNITED STATES

76 Stat. 121.  
22 USC 2601 note.  
Repeal.

For expenses necessary to carry out the provisions of the Migration and Refugee Assistance Act of 1962 (Public Law 87-510), relating to aid to refugees within the United States, including hire of passenger motor vehicles, and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$34,800,000 together with the unobligated balance of the appropriation under this head for the fiscal year 1964: *Provided*, That the final sentence in section 2(e) of the Migration and Refugee Assistance Act of 1962 is hereby repealed.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

60 Stat. 999.  
74 Stat. 792.  
60 Stat. 810.

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide assistance to refugees, as authorized by law, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158); allowances as authorized by the Overseas Differentials and Allowances Act (5 U.S.C. 3031-3039); hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); \$8,200,000: *Provided*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

FUNDS APPROPRIATED TO THE PRESIDENT

INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For subscriptions to the Inter-American Development Bank for the first installment on the increase in callable capital stock \$205,880,000, to remain available until expended.

SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment of the fifth installment of the subscription of the United States to the International Development Association, \$61,656,000, to remain available until expended.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

61 Stat. 584.  
31 USC 849.

The Export-Import Bank of Washington is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided.

LIMITATION ON OPERATING EXPENSES

Not to exceed \$1,350,060,000 (of which not to exceed \$944,000,000 shall be for long term project and equipment loans) shall be author-

ized during the current fiscal year for other than administrative expenses.

#### LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$3,781,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed \$75 per diem for individuals, and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes hereof. 60 Stat. 810.

None of the funds made available because of the provisions of this title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national, except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 30 days after such determination. Extension of credit to Communist countries, restriction. 76 Stat. 261. 22 USC 2370. Report to Congress.

#### TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress. Publicity or propaganda.

SEC. 402. None of the funds herein appropriated shall be used for expenses of the Inspector General, Foreign Assistance, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering foreign assistance legislation, appropriations, or expenditures, has delivered to the Office of the Inspector General, Foreign Assistance, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody or control of the Inspector General, Foreign Assistance, relating to any review, inspection, or audit arranged for, directed, or conducted by him, unless and until there has been furnished to the General Accounting Office or to such committee or subcommittee, as the case may be, (A) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested or (B) a certification by the President, personally, that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing. Restriction.

SEC. 403. No part of any appropriation contained in this Act shall be used to conduct or assist in conducting any program (including but not limited to the payment of salaries, administrative expenses, and

the conduct of research activities) related directly or indirectly to the establishment of a national service corps or similar domestic peace corpstype of program.

Availability  
of funds.

SEC. 404. The appropriations, funds, other authorizations, and authority with respect thereto in this Act shall be available from October 1, 1964, for the purposes provided in such appropriations, funds, other authorizations, and authority. All obligations incurred during the period between September 30, 1964, and the date of enactment of this Act in anticipation of such appropriations, funds, other authorizations, and authority are hereby ratified and confirmed if in accordance with the terms thereof.

Short title.

This Act may be cited as the "Foreign Assistance and Related Agencies Appropriation Act, 1965."

Approved October 7, 1964.

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LEGISLATIVE HISTORY:

HOUSE REPORT No. 1518 (Comm. on Appropriations).  
SENATE REPORT No. 1605 (Comm. on Appropriations).  
CONGRESSIONAL RECORD, Vol. 110 (1964):

June 30: Considered in House.

July 1: Considered and passed House.

Oct. 1: Considered and passed Senate, amended.

Oct. 2: House concurred in Senate amendments.